Daily Report

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Cuba

Castro Meets With Uruguayan Communists

FL1811144092 Havana Radio Progreso Network in Spanish 1200 GMT 18 Nov 92

[Text] Commander in Chief Fidel Castro has met with Marina Arismendi, head of the Office of the Secretary General of the Communist Party of Uruguay [PCU]. The participants in this meeting, which took place in a fraternal climate, exchanged opinions on Cuba's current situation and Uruguay's reality, as well as on the international situation.

Politburo member Carlos Lage Davila and Jose Arbesu Fraga, the head of the Americas Section of the International Relations Department of the Communist Party of Cuba Central Committee, also participated in the meeting.

Carlos Lage Gives Interview on Economy 11 Nov

FL1411174192 Havana Radio and Television Networks in Spanish 0230 GMT 12 Nov 92

[Interview with Carlos Lage Davila, Politburo member and secretary of the Council of Ministers, by journalists Soledad Cruz, Pedro Martinez Pirez, and Pedro Rojas on the "Hoy Mismo" program—live]

[Text] [Rodriguez] Welcome to our program. As announced, Carlos Lage, a member of the Politburo and secretary of the Council of Ministers and its Executive Committee, is here again with us tonight. Good evening, Lage.

[Lage] Good evening.

[Rodriguez] As on 6 November, he will answer the questions of Comrades Soledad Cruz, Pedro Martinez Pirez, and Pedro Rojas. Before yielding the floor to the journalists, I want to say that we received many calls on Friday night. We had three telephones set up, as you know, and the many calls received will be reflected in one way or another in the questions by our comrades. We even had a call from Brazilian businessman Epolito Rochas, the president of the Samos company that distributes Goodyear tires in Brazil. He pointed out that they are willing to fight to the bitter end against the Torricelli Law.

This is enough introduction. I give the floor to our colleague, Soledad Cruz.

[Cruz] Thank you, Hector. Thank you, Lage, for this opportunity. Although The Bible says: Be not forgetful to entertain strangers, for thereby some have entertained angels unawares, I see that there are several worries among our population regarding tourism and foreign investment, and the social cost this might carry for Cuba in view of our system, ideas, and basic principles. This is why I agree with Carmen Amador from Plaza Municipality—one of many callers who asked: What studies has the government conducted on this issue, that is, on the social cost that development of tourism and foreign investment might carry?

[Lage] This is a question of great interest, a highly current issue. It is closely linked—as Soledad explained—to the worries of a great portion of our populace. I guess your question stems from the idea that when you speak of social cost you are talking about, for example, the currency market, hoarding, or what the people call: soliciting foreigners for favors [jineterismo].

[Cruz] Exactly.

[Lage] When we discuss this type of phenomenon, which is related to foreign capital investment but primarily to tourism development, I would say, first of all, that it is true Cuba's foreign capital investment or tourism development policies carry a social cost related to these manifestations. We should acknowledge the existence of these manifestations. I would also add that we must acknowledge the need to pay that social cost. Yet, tourism is not that. Tourism is a social and economic activity with a different importance, a different repercussion and significance for the life of the country.

This is much broader than this phenomenon which—no matter how disturbing or how contradictory to our way of thinking and views—is a marginal phenomenon. Tourism is the income it renders to the national economy. We spoke about this on the previous program: How an income of [passage indistinct] without affecting other earnings in hard currency but how, from those same earnings, it generates its own development and contributes to the national economy, and now it becomes a factor in helping to solve national economic problems during such a difficult period.

Tourism is an activity that also influences and, in general, promotes and develops Cuba's industry. It requires a diversity of products and services in order to serve the tourists [words indistinct] to develop it. The development of these services and products with the required quality and efficiency, with production at the required moment, is experience and development gained; it influences the services and production the national economy must carry out in providing for the population. In other words, tourism is an activity which boosts the total development of the country. It does not promote development in any one sector alone. Any sector that generates hard currency.... [pauses] with that currency we can stimulate other activities. Here, besides using that currency to stimulate other activities or solve certain immediate consumption problems of the population, the activity itself promotes the total development of society. The experience of many countries worldwide is that tourism is an essential lever of development, an important lever; Spain is a good, well-known example.

Tourism is also a source of jobs. We can say today that tourism is not a negative thing. It represents 59,000 jobs for our revolutionary workers, workers committed to that task, workers who work directly in tourism or

closely related fields. Presently, there are 25,000 construction workers engaged in building hotels and other infrastructure projects for tourism. In other words, tourism is also an important source of useful jobs for the country.

Tourism also represents a cultural and social link with the world. The policy of Cuba and the Revolution is not to isolate ourselves from the rest of the world. It never has been, nor is it now. The policy of the Revolution has been to be in contact with the world abroad. Tourism is a tool for this contact with the rest of the world [words indistinct] and another way for the world to become familiar with the Cuban reality, the reality of our circumstances, the accomplishments of the Revolution, the difficulties we presently confront in the case of tourism, and our plans to resolve them. In other words, tourism comprises this group of aspects and carries this social cost.

Now, I would say it has a political cost, as well as a social cost. Unfortunately, regardless of how often it has been explained, I am going to explain it again, and we must continue to explain it. There are people who do not understand tourism. There are people who, when confronted with the country's need to give priority to tourism services for foreigners, become angry and upset. They do not understand the complex reasons that motivate the Revolution to make this decision. In order to explain this, I am also going to explain the policy of the Revolution in the years before this time.

This is not the first time Cuba has had a hotel construction program; since the beginning of the Revolution there has been a hotel construction policy. This policy, even though international tourism was seen as a source of income, was designed for our people's leisure and for building hotels for our people's use. For many years the Revolution built hotels that were primarily used by our people. No other government but the Revolution—and I would add no one else but the historic leaders of the Revolution—wanted our people to enjoy these tourist facilities and services. For many years we had a program aimed at national tourism.

Today we are facing a situation in which we urgently need hard currency to meet the most basic needs of the population. In the same manner that we have the discipline to make do without shellfish, because it is an export resource—in the same manner that most countries in the world with this resource make a sacrifice to get the currency needed to invest in more basic needs—we have to realize that in the same measure that we restrict tourist facilities in order to serve foreign tourists, we are dedicating hard currency resources for essential needs of the population at a time when our basic needs are not fully satisfied.

However, we can not say that the hotels are off limits for Cubans. By year's end, approximately 830,000 Cubans will have made use of the facilities of the National Institute of Tourism and Cubanacan—an average stay of three days or more. This represents a drop in comparison to previous years; however, a number of Cubans have been using these facilities. We must realize that this has cost Cuba approximately $35 million because, in allocating these facilities to the use of Cubans, we lost not only revenue but also the approximately $35 million it cost Cuba to provide these services to that number of Cubans at those facilities throughout the year. Despite the constraints, it was decided not to cater to foreigners exclusively. Yet, the priority in the use of international tourism facilities [words indistinct] due to the seriousness of the economic situation we are experiencing and the urgency of the problems we have to solve. We believe that in the future, to the extent that the country has more such facilities, a greater number of Cubans will be able to use them.

The revolution's policy is not that Cubans cannot use these facilities because of a conceptual problem, a theoretical problem, or a doctrinal problem. The policy is that we have a need to use these facilities to earn hard currency in order to solve basic problems. However, to the extent that the country will be able to meet those basic needs and have a better economic outlook, and to the extent that we have an increasing number of facilities for international tourism, we can allow a greater number of Cubans to use these facilities, particularly during the off-season.

We agree that there is a social and political cost. We must acknowledge their existence. However, we should intensively fight these factors. The fact that we acknowledge them does not mean we have to let them be. On the contrary, the revolution is strong enough to decisively confront them and, as a matter of fact, it is successfully doing so. The social cost of tourism is universal; it is not only a consequence of [words indistinct]. In connection with tourism, problems of drugs, gambling, and prostitution arise. Thanks to Cuba's socialist system we have been spared a portion of these evils. We must ensure that tourism development is not accompanied by these evils. I would add that there is practically no single country in Latin America where a family with children does not have to worry about drugs. Today, every Cuban family is free from that worry.

Therefore, our struggle to reduce the social costs of tourism has been successful is yielding results. We acknowledge the sectors in which that social cost is present, but I believe there is a combination of factors: on the one hand, our measures, our system, our concepts; on the other, we must stress that the tourism coming to Cuba is in general a healthier tourism, a tourism which in general conforms to our social norms and promotes the implementation of Cuba's measures. In short, I believe that what is essential is for us to acknowledge that such a phenomenon presently exists, but we have the strength to fight it and reduce it as much as possible. No other society has the level of education, family unity, mass organization, state authority, and ability to wage this battle to reduce the social costs as well as ours. We also must be fully realistic in concluding that presently

our country has no alternative and we can not realistically do without the income and economic benefits which tourism yields.

[Rodriguez] Pedro Martinez Pirez, go ahead.

[Pirez] On the same subject of tourism [words indistinct]. Our people are deeply interested in this subject because it also has to do with the opening of Cuba's economy—another crucial subject. I am only going to refer to two calls, one from Clotilde Serrano from Cerro Municipality and another from Roberto Gonzalez from Plaza Municipality—they were not the only callers. There were many other viewers who called, but we cannot mention all of them or we would run out of time, and we want to use our time wisely with Comrade Lage.

President Fidel Castro spoke recently about the opening of Cuba's economy, calling it a double-edged sword. The revolution's leadership is aware of its consequences and for this reason acts with the required maturity and at an unhurried pace to develop it. Lage, how can the Cuban economy, a planned socialist economy, be integrated into a capitalist economy when we have been an embargoed country for over three decades and now have the additional law aimed at strengthening that embargo. How is an opening possible?

[Lage] I think we can divide the answer into two parts. First: How can we join that global economy? Second: How is the embargo, and more recently, the Torricelli Law, effecting the Cuban economy and our efforts to develop it in order to join the global market? I would say that the way to insert a planned economy into the global market, the global economy, is in a planned manner. Our planned economy can be inserted in a planned, organized manner into the context of the global economy. The factors blocking our insertion are not our system of state ownership over the means of production, our fair distribution of the national wealth among the people, or our planned economy. The factors blocking greater participation and a speedier integration—we could say that our economy is already inserted into the global economy—are the factors related to the U.S. embargo. The U.S. embargo has been strengthened lately. I believe that in these difficult times, the country has been finding formulas to make possible this integration. First of all, nowadays Cuba has ties with almost 3,000 commercial firms throughout the world and trades with 84 countries worldwide. We have difficulties that stem from the embargo. We will explain them later. However, the struggle, the effort, the prestige of the Revolution has made it possible to keep ties with the world abroad.

We have established policies and have decided to boost foreign capital ventures. I believe Cuba's brief experience in the last few years proves that this is possible. We already have joint enterprises in place. In these existing joint enterprises the Cuban managers are not capitalists, or the owners of those facilities. They are members of the Revolution performing the task assigned to them by the Revolution. The workers that labor at those joint enterprises are not exposed to unemployment, social insecurity, and have free medical care and free education for themselves and their children. They have the benefits and advantages of the socialist system. In the existing joint enterprises, the workers are part of the socialist system, they are [words indistinct]. [Words indistinct] in such cases. What is the nature of this production? It consists of the fact that the joint production unit produces a wealth that has to be shared. We decide what portion belongs to us and the capitalist decides what portion corresponds to him. In our social system we can establish that that wealth does not belong to the workers of that joint enterprise, nor the management, but to the country. The resources generated are destined to meet the most essential needs of the country. Policies, practical measures, and organizational measures have been established for dozens of enterprises allowing them to operate and operate well.

I would say that the association of private companies with state enterprises is not a Cuban experience alone. Other socialist countries have tried and are conducting this type of activity. We are familiar with the experience in the PRC and other socialist countries. We keep these experiences in mind, not with the intention of copying, translating, or implementing them, but to study, analyze, and keep them in mind when it comes time to establishing our regulations.

The capitalist system itself is also experienced in this field of private and state capital associations. In many developed countries there are state enterprises with private capital, there are state enterprises run by private capital managements; and there are private enterprises with state capital. In other words, there are experiences on this type of integration that can be studied and analyzed not only in socialist countries, not only in Cuba, but also in the capitalist world—particularly, the developed capitalist world. There are precedents.

Cuba's leaders decided not to [word indistinct] extreme actions in the process of adopting them, but do so as the experience tells us to. We think that [words indistinct] and that on the contrary, if we know how to guide this process, the conditions of a planned, centralized national economy—an economy that plans its development—is a factor that could speed up integration into the global economy. This makes it possible to optimize the advantages of assimilating foreign capital because the assimilation can be directed towards the main interests of the country. In Cuba, we do not have [words indistinct]. In any other Latin American country, there is a risk that that foreign capital might leave the country or abandon [words indistinct] but that capital is bonded to our country. In Cuba, that capital is not distributed to serve individual interests. In Cuba, [words indistinct] they are distributed in the interest of developing that activity and meeting the most pressing needs of the country. Therefore, our social system can optimize and make more efficient and effective that integration process.

Now, we have the circumstance of the embargo. It is good to discuss the embargo. We should talk more about the embargo. The embargo—as we mentioned on the previous program—was lessened by a great measure through our ties with the socialist bloc, but presently it affects our whole economy. There are studies and estimates on how much it has cost Cuba—$38 billion, there are diverse figures. To calculate the effects of the embargo is truly difficult. Its effects are essentially felt in every activity of the economy and in some manner or another, affect the functioning of the economy in every field. For example, if we must buy food for the population we cannot buy that food in the United States. It is also difficult to buy food in other nearby markets due to U.S. pressures. We must buy that food in far-flung markets. We have not fully fulfilled our needs for 1992. Studies reveal that in order to import 1.5 million tons of food, Cuba has had to spend $23 more per ton in transportation costs because we have had to go to more distant markets to buy those products. That amounts to over $30 million.

This year we have acquired approximately 6 million tons of fuel—approximately 6.1 million—but because of the locations where we have gotten this fuel and the manner in which we have had to acquire it due to U.S. embargo pressures, without speaking about Cuba's lack of credit—we have to pay in cash—it has been estimated that it has cost us $7 more per ton of fuel above what it might have cost us under normal conditions: without the embargo. This means that transporting the fuel alone costs Cuba $40 million more. When we mention these figures, we should keep in mind that our economy has available approximately $2.1 billion, $2.2 billion. You can see the weight of these factors.

I have only given you two examples. A third example—an issue which Comrade Fidel has explained on several occasions—in 1959 with 1 ton of sugar we could buy 8 million tons of fuel. Under the present uneven exchange conditions today, we buy 1.4 million tons of fuel with 1 ton of sugar. This proportion also occurs in the purchase of other products, but sugar is the most essential, vital example. With 1 ton of sugar we imported 1 ton of powdered milk in 1959—powdered milk is primarily produced in the developed countries. Today, to import 1 ton of powdered milk, we must produce 9 tons of sugar. These are the consequences of uneven exchange practices.

Approximately 110 million tons of sugar are produced worldwide every year—we will use the example of sugar which is our primary export product. Eighty percent of this sugar production is consumed in national and regional markets. Studies conducted by international organizations reveal that in those markets, the price of sugar is 40 cents a pound. This means that 80 percent of the world's sugar production is sold at 40 cents a pound. The United States and the EC buy a portion of the rest of the sugar, maybe 22 or 23 million tons of that other 20 percent. The EC buys sugar at 25.7 cents a pound, this is the latest average price. the United States buys sugar at 21.6 cents a pound. What remains....

[Rodriguez, interrupting] Is the garbage dump.

[Lage] The garbage dump—as Fidel has called it—is the sugar that sells at international market prices, currently fluctuating between 60 and 80 cents a pound. When Cuba sells its sugar in the international market it does not sell it at that price. Cuba sells it below that as a result of the embargo. Because the sugar sold in the international market at that price, the garbage dump. the residual sugar market, is priced by the New York Stock Exchange [NYSE], where the largest volumes of sugar are priced. Cuba does not have access to the NYSE because of the embargo. This determines that the sugar Cuba sells in the international market must be sold at discounted prices. Therefore, we sell our sugar at a price even lower than that garbage dump price. It has been estimated that the sales that we made in that sugar residual market during 1992 has cost Cuba approximately $40 million. This is what Cuba could have gotten for that same sugar if it could have been sold through the NYSE if there was no embargo.

[Cruz] Forty million dollars in losses?

[Lage] Forty million dollars in losses in relation to the price that sugar we exported could have had if we could have priced it at the garbage dump level. I am not even talking about the preferential prices at which 80 percent of the sugar is sold. I am going to give one last example. I received a letter a few days ago.... [pauses] We could give many other examples of the embargo's effects. I repeat, the effects of the embargo are reflected in many forms. I am only giving a few examples to explain how it has concrete effects on our economy.

I have a cable from the Italian news agency IPS and I will read several paragraphs. A Third World pharmaceutical industry, Cuba's, has discovered and patented one of the most effective drugs against cholesterol but the diverse monopolistic and protectionism practices of large transnationals and developed countries, are blocking its international marketing. This is the case with Polycosanol, known as PPG. This was originally developed by the Cuban National Center for Scientific Research from a compound of primary aliphatic alcohols. PPG's basic raw material is extracted from sugarcane. According to the description in a report by the (Dalmer) Laboratory of Cuba, its a natural product that does not causes adverse side effects. This is why American, Canadian, German, and Swiss specialists agreed that of all the medicines developed to fight cholesterol, PPG is the most important to date—this opinion is contained in a University of Geneva report. According to doctors from this university, PPG quickly and strongly reduces LDL [low-density lipoprotein] without affecting the so-called HDL [high-density lipoprotein] cholesterol.

There are two types of cholesterol: low density cholesterol which is harmful and high density cholesterol, certain levels of which are beneficial to one's health. One of the advantages of this Cuban product is that it lowers

the low density cholesterol without affecting good cholesterol in addition to being a natural product with no adverse side effects.

Last week, for example, the British newspaper THE FINANCIAL TIMES published an extensive article on cholesterol fighting drugs worldwide and did not even mention Cuba's PPG. This is another of the effects of the embargo on a product which has potential for its commercialization and generating income for Cuba. Not only that, but it is also a product which has the potential to solve health problems for million of people worldwide. Estimates put the number of people in the United States which use drugs to treat cholesterol-related ailments at 3.5 million. Due to the embargo, these people cannot get PPG and must use other less effective products that have side effects. This also affects Cuba's economy. In other words, the effects of the embargo are present in diverse aspects of the development of our economy.

Last week we spoke of all the types of pressures. We even spoke of pressures from ambassadors. They exercise pressure on business firms. Many times we obtain information and if we think it can harm someone, if we think it can harm a friend that gave us the information or that it can harm someone whether or not he is a friend or the person that gave us the information, as a matter of ethics, we do not disclose the source of the information even if it were convenient for us to do so. In the last few days a Mexican newspaper, EL FINANCIERO, published an article on the visit of the U.S. Ambassador in Mexico....

[Rojas] John Dimitri Negroponte.

[Lage] That is him. He traveled to Monterey City to meet with several Mexican businessmen who had just signed an economic agreement with the Cuban Textile Union. It was not even 15 days ago that these Mexican businessmen left Cuba, after signing the agreement, and this person was already running over there to tell these businessmen that they should not do business with Cuba. I take advantage of the fact that this incident was publicized by the Mexican newspaper to give proof of something we had said in last Friday's conversation. These are some examples of the effects of the embargo.

Now, there is the Torricelli Law. Very briefly we will say the Torricelli Law has several aspects. It is good that we talk about this because there are comments going around sometimes from foreign stations that say the Torricelli Law strengthens the embargo on one side but not on the other. This law strengthens the embargo on all sides. The law strengthens the embargo. The Torricelli Law is aimed at subjugating our people through starvation. It is a law against socialism, the Revolution, the government, and the people. It is a law that has to do with the nourishment of our people. It is a criminal and illegal law.

There are several aspects to this law. On one side, all U.S. subsidiaries, even those in third countries, are prohibited to trade with Cuba. According to information from the Treasury Department, in 1991, Cuba's trade with U.S. subsidiaries reached $718 million, in both directions. This means that, according to those same figures, Cuba bought merchandise from U.S. subsidiaries valued at $383 million. Of that merchandise that Cuba imported—the rest was in exports—$347 million was in food. In other words, if we review the data that the U.S. Treasury Department used to analyze this law, we can see it is a law that is aimed at blocking food imports to the country.

The Torricelli Law prohibits vessels that dock in Cuban ports from docking in U.S. ports for six months after they docked in Cuba whether they were loading or unloading merchandise. This introduces a factor that seriously affects our trade. During 1992, our trade has been limited by the availability of resources. Cuba has to transport approximately 15 million tons of merchandise—that is between exports and imports—of those 15 million tons of merchandise, our fleet would be able to transport approximately 3 million tons; the rest would require that we charter vessels in the international market. When the Torricelli Law was drafted, they knew that Cuba, as an island, is dependent upon maritime commerce and therefore is affected by this law. This could provoke an increase in prices and difficulties and cause delays in the arrival of merchandise.

There is another aspect of the Torricelli Law: the U.S. Government's ability to exert pressure on other governments and businesses to ensure compliance with this law. We are aware that due to present world conditions—the hegemonism gained by the United States—these U.S. pressures have become more effective and can have a specific weight on the economy of many countries whose economies are dependent on the United States. The law mentions that Cuba might be able to import merchandise with approval of the U.S. Treasury Department or the U.S. State Department following an inspection. Torricelli himself stated that this was a standard phrase because no self-respecting country would agree to render the products it buys for its use for inspection by another nation. Among the elements of the Torricelli Law, there are others. It limits the president's ability to solve problems relating to telephone calls between Cuba and the Cuban community in the United States. There are other elements that intensify Cuba's hardships and worsen the situation under which we have to wage this battle in order to move ahead. I think it was important to briefly mention this.

[Cruz] Excuse me. Worsen the situation despite the international reaction being what it is? I believe the international reaction has made our people see certain possibilities, right?

[Lage] Of course.

[Cruz] Yet, despite the international reaction....

[Lage, interrupting] I believe the implementation of this law will have negative consequences on our economic

development. The negative effects will be an increase in costs on our trade and the conditions which govern our trade, difficulties in transporting merchandise, and difficulties in obtaining the resources we need with the required speed. Of course, it also restricts any type of commercial or financial credit. You know that every developing nation needs commercial credit. These commercial credits are being limited, diminished. Since the beginning of the embargo, Cuba has not been able to conduct its international finances in U.S. dollars. It must use other currencies. Cuba cannot use U.S. dollars. To the extent that the dollar is devaluated—the prevailing tendency in past years—it represents losses for those who operate with other currencies. Cuba is not given credit or financial loans by international organizations. Anyhow, the existence and implementation of the Torricelli Law has a negative and serious impact on the Cuban economy. International reaction is very important. I believe it is right to see this as arbitrary and unfair for the life of a nation. I also agree it injures the world's sovereignty. It is a law implemented in the United States with an extraterritorial aspect which imposes rules on governments and enterprises of other nations. This law violates the sovereignty of other countries. Therefore, many countries have stated that they are not willing to submit to it.

[Rojas] Ambassador Negroponte's actions have been denounced as interventionist [words indistinct].

[Lage] That is a good example. It has been denounced as interventionism, but it has taken place. We believe that the movement which has risen has extraordinary political importance for Cuba. I believe it is extraordinarily significant for our people to know we are not alone in this struggle and that our cause has the support of the world, governments, and the international progressive movement. However, we cannot assume that this international reaction will be able to lessen the negative effects of the Torricelli Law on the Cuban economy.

[Rodriguez] [Passage indistinct] of our country. He talked about the effects on sugar marketing. I think he introduced a subject of great interest to the whole country. This is proven by the numerous telephone calls of our viewers, for example, Jose Delao from Guines, who asked about the sugar harvest. We all know that the beginning of the harvest is upon us and I wanted to ask you about our most important industry: In what condition are we confronting the coming harvest and what is the basic national strategy to accomplish this harvest, the second in the special period?

[Lage] There is no doubt we are talking about the most importance resource of Cuba's economy. We must point out that, at present, no other production yields more resources for the country than the sugar industry. Despite low international market prices, despite unfair prices and the conditions of trade in that market—as we explained before—the sugar industry, because of its profitability [words indistinct] reached by the sugar industry in our country, provides Cuba with hard currency. [Words indistinct] the drop in agricultural production, on 1 hectare we can produce 60 tons of sugarcane. This in turn becomes 6.1 tons of sugar per hectare [words indistinct]. [Words indistinct] although at a higher production cost, with limitations on the land available.

Sugarcane is a highly productive crop. We have the infrastructure for this production. We have the refineries, ports, railroads, and storage. The basic investment to carry out this industry already exists in the country. We are familiar with the market. To a certain degree, we have a role in that market.

With all this I am trying to explain that, despite low prices, it is the right policy and we are continuing to give first priority to the sugar industry. Our policy [words indistinct] sugar for other production. Our policy is to give priority to the sugar industry in addition to other export resources, but sugar production is primary. [Words indistinct].

Sugar includes more than just sugar. The sugar industry comprises an important industry of by-products to be promoted by the Revolution throughout the years. We have in Cuba 60 industries based on sugar industry by-products: for example, alcohol, torula for animal feed, bagasse plants, and over 200 factories directly engaged in [words indistinct] production. As a subproduct of the sugar industry, the country produces over 3 million tons of animal feed from every harvest. This basically provides calories and, to some extent, proteins and is another subproduct of the sugar industry.

We must add that the sugar industry can have a low energy consumption. Between this year and next, we could install in Cuba—we already have most of the resources readied—approximately 42 turbine generators. There are 67 refineries tied into the national electric system. Investments made in previous years, which have continued, will make it possible to install 19 more mills. This represents over 80 tons of (?fuel) that could be saved.

We have the potential to make progress in this field. The rate of this progress depends on the ability and the resources available to the country to make costly investments. The immediate investments we can accomplish rather quickly, because the essential investment has already been made. This, in addition to the importance and significance of the sugar industry, in addition to the sugar by-products industry which also has the potential for important improvements in energy efficiency. We have made progress in this field and we can make still greater progress. Therefore, we have no doubt that this must continue to be a priority for the development of the country and that it must be carried out, particularly now.

We must say frankly that we do not have the material, objective conditions to achieve the sugar production of last season. How can one explain this? Well, through all

these years of growing difficulties, we have lacked fertilizer. Sugar needs approximately 800,000 tons of fertilizer every year. This year we might reach 120,000 tons of fertilizers of all kinds, including nitrogenase fertilizer, the most important and efficacious for sugarcane growth.

As a result of the lack of fuel, in the past year we have not been able to provide the irrigation that sugarcane requires. We were not able to plant cane in the volume that must be planted each year because that requires soil preparation, and thereby fuel. We were developing a plot drainage program for which we built over 200 mechanized units in Cuba. These units exist and are stored away, hampered due to the lack of fuel, but they are ready to be restarted at anytime. They were designed to level the soil to improve the drainage of the plots and therefore directly increase sugarcane yield. We have stopped that program. In the sugar industry, we have not been able to conduct the necessary level of repairs and maintenance and the lack of resources has aggravated this situation. It is an objective and real situation. Therefore, we are facing a sugar harvest under very difficult circumstances. A sugar harvest that I would say is more difficult than the past harvest. If last year we carried out the harvest with only a third of the resources that we would traditionally have employed in the sugar harvest, this year we will do with less than that third part of the resources that we traditionally needed.

The country needs and it has a strategy to recover the sugar production. I think that you could have another [TV] program on this strategy with the minister of the Sugar Industry, and with other government officials as guests because it is an extensive topic and I believe it is of interest to everyone. But to give an example, that strategy has to begin with the planting campaign. Let us say that last year we were able to reach in the year approximately 16,000 caballerias of planted sugarcane. We need to increase that number every year. This year we have the goal of reaching or getting close to 20,000 caballerias of sugarcane. For the first time since the special period began, we have had the opportunity, through a great effort, to reverse the trend. The possibilities of planting sugarcane have been decreasing as we have had less resources. Measures have been taken to reverse this trend beginning with the planting of the sugarcane.

Fertilization is a decisive element in the production of sugarcane. Sugarcane needs nitrogen. It can receive the nitrogen it needs from ammonia, urea, or from nitrates. The country used to import great quantities of urea; all it needed. In the world market, urea costs $160 per ton, and ammonia costs $115 per ton. With approximately 1.2 tons of ammonia, you can fertilize one sugarcane caballeria. To fertilize that same caballeria of sugarcane you need 2 tons of urea; its price is higher and you also need a higher quantity per unit. Ammonia cannot be used freely. To apply ammonia you need a base, an installation, an infrastructure, tanks, trucks, and equipment so that this ammonia can be applied to the soil. During these times of great difficulties, our country has been building these installations. Today, approximately 25,000 caballerias of the country's sugarcane areas have those installations and can receive the nitrogenase fertilizer through ammonia. Approximately 25,000 caballerias more are currently under construction with the same type of infrastructure so we can apply the ammonia that will allow us to buy more nitrogenase fertilizer with the same amount of resources.

We have plants that can produce urea. We buy urea. It is cheaper to buy it than to produce it, but producing ammonium nitrate from ammonia is cheaper than buying urea. We could import ammonia and produce ammonium nitrate for those areas where we cannot use ammonia because we do not have the necessary infrastructure. With this I give an example of how we have adapted a strategy to obtain with the smallest amount of resources the highest quality possible of nitrogenase fertilizer to fertilize the sugarcane that we plan to plant increasingly.

We could talk about all the activities of the sugar industry but the important thing is that we are convinced that in each one of those activities not only the strategy has been established but the way we should do it with the least possible amount of resources. We will need time for the recovery of the sugar harvest; a time that will require several sugar harvests. The time will depend, more or less, on the availability of resources and all these factors which we have been discussing in order to give it the require speed.

There is no doubt that we are facing a more difficult harvest. We are facing a lot less availability of resources. The sugarcane harvest continues to be the most important avenue for obtaining revenues and hard currency for the country. It has a maximum priority in production and in the development of our economy to confront these difficulties. A strategy exists to restore sugarcane production in the special period conditions.

[Rodriguez] Comrade Pirez has a question.

[Lage] Yes.

[Pirez] I think that Sugar Minister Juan Herrera is scheduled to participate on this program soon because other topics still remain, such as, mechanization, use of combines, planting delays. There are a lot of sugarcane topics that are very important. Sugarcane is also our forests.

[Rodriguez] It [sugar harvest] is about to begin.

[Pirez] Now, another important topic, another important resource which Cuba has is nickel. We received many calls from viewers regarding nickel because in your previous interview, you spoke of the ups and downs of nickel prices and the extent to which they affect us; of how nickel prices have risen. So, talk a little bit on this

industry, about the investments which are being made because there is no doubt that it is a strategic industry for Cuba.

[Lage] That is right. Nickel really is a strategic industry for the country. It is one of the main sources of hard currency. I would say that it is an industry that reflects very clearly the complexity and the mountain of difficulties which the country has had to confront during this period. That is, on the market, 75 percent of the nickel that Cuba produced was exported to socialist bloc countries. Nickel does not have a widely diverse market. It has a concentrated market with a reduced number of enterprises and some transnational industries.

Products with Cuban nickel in them cannot be imported into the United States because of the embargo. That is one of the most important markets for nickel products. Take for example the circumstances in which Cuba found itself at the end of 1991 when no trade agreements, of any kind, could be reached between the Cuban Government and the governments of countries of the former socialist bloc, including the USSR, with what was the USSR. There were no government agreements. And in fact, in 1992, it was not possible to sell nickel to Russia or any other CIS country. At the end of 1991, the country found itself with nickel plants capable of producing more than 40,000 tons annually and not having a market to sell this nickel.

The plants were paralyzed because of a lack of fuel and lack of supplies, which came regularly from the socialists bloc. But in addition to this, there was complete uncertainty in the market. We can say that after just one year, the country has found markets for its nickel production. That is, today the uncertainty of not having a market for the nickel is not the problem. This problem was solved in less than a year.

There is the problem of the raw materials market. The nickel industry used to receive its raw materials primarily from the USSR. I am talking about 600,000 tons of fuel oil a year, 150,000 tons of sulfur, and 125,000 tons of anthracite. These resources came in such volume on a regular basis. They have specific compositions. Nickel industry production is shaped by those characteristics. Polish sulfur is unlike sulfur from any other country. Likewise, anthracite varies from country to country. The fact that Cuba was not able to obtain any of these products—basically it was not able to obtain them from Russia or the former socialist states community—means that Cuba had to seek those products in an embargoed market, receive those products, and test the industry with the changes brought on by the characteristics of those products. For example, the liquid gas which the nickel industry needs was generated at the Santiago de Cuba refinery. This plant had to halt operation due to less availability of fuel. Because this was so for most of the year, it was more affordable to do the refining at the Nico Lopez plant instead. Only after investments were made in this plant has this refining process become affordable again. Meanwhile, we had to import that liquid gas, but it no longer has the same composition as the one that was produced there for over 30 year for the use of that industry. This caused technical problems and affected production. This is another phenomena. This has also happened in many industries of the Cuban economy.

We also have the problem of Soviet technology in our nickel plants. One of them has U.S. technology dating from before the Revolution. Yet, the main core of the technology installed came from the USSR and the socialist bloc and we stopped receiving their spare parts supplies.

Finally, there is the issue of the price of nickel. One ton of nickel—as we mentioned last week—used to sell at over $8,000 and now sells at $5,800. Our industry has the capacity to compete in this market despite the low prices. When prices drop—as they have done—we lose revenues but our opinion is that our industry has the capacity to be competitive despite the low prices. As a matter of fact, our industry has advantages over the productions of other countries. Why? Because, on one hand, a large number of the countries that produce nickel have to import this mineral, we practically have it in the factory's back yard. Therefore, the cost of transporting this mineral—which is mined in open quarries—is an additional burden to other nickel producing countries. Additionally, we have the possibility and are planning to introduce the national crude [oil] to replace imported fuel oil in the production of nickel. In time, we should be able to supply 200,000 tons of the 600,000 tons of fuel that this industry consumes. This reduces very much the production costs. In the history of nickel, it has experienced highs and lows, periods of low prices are followed by high price periods. We believe that we have the conditions to resist this low price period due to the vitality of our industry while providing revenues to Cuba although in smaller amounts. We believe that we are in a position to optimize these revenues once the prices increase again. We are planing to continue making investments in the nickel industry. In general, we can say that we have not halted them. We can affirm that we have found formulas to develop these investments, complete them, and continue production without affecting Cuba's immediate revenues. This could increase our efficiency much more because a portion of the investments is allocated to increase production efficiency. This is what I can briefly say. We have to maintain the priority of this industry. We believe we have the conditions to increase production next year and I believe that this industry is a good example of how the Cuban economy has been impacted by the loss of ties with the socialist bloc in this short period of time—less than three years.

[Rodriguez] Lage, we could also add that we have one of the world's largest nickel reserves which gives us long term possibilities.

[Lage] That is right. It is important that you have mentioned this. This industry's potential and investments are not for the short term but the long term given the large reserve we have.

[Cruz] Among others, viewers Gustavo Junco from Centro Habana Municipality, Julio Perez from Arroyo Naranjo Municipality, and Abel Garcia from Plaza Municipality asked a question which not only they but the rest of us also have because of all the things that have been explained in this program and the one before. There is an excess of currency in the hands of the population without a productive reason for this. This has also triggered an increase in the so-called black or underground market. In other parts of the world, governments take shock measures—particularly the neoliberals—measures which affect the people. Our question is: What will be the Cuban Government's response to this situation?

[Lage] The response is the measure that we have been implementing. It is a fact that there is in our economy, in our country—and it grows more every year—an excess of currency. Because of the shortage of products, the Revolution opted to distribute those product in a controlled manner, in the most equitable way possible. We have been carrying out a controlled, rational distribution of practically everything. This process was not done suddenly; it developed gradually as circumstances worsened. In these circumstances, there are two main alternatives. Two big roads, of all the alternatives possible. Either we adopt the decision made to distribute these few resource among everyone, in the fairest way possible, in the most controlled, rationed way, or we put this amount of products on the market and let the people buy them freely. To achieve this, the prices of the products would have to be raised and social expenditures and employment would have to be reduced.

The cause of the problem is the lack of products and the lack of production which is based on external problems that have affected the Revolution and which we can solve to the extent we obtain more hard currency to stimulate our economy. To the extent to which we obtain more products, we can recover more of the money in circulation. Now, in a time like this one, if we opt for this well- know policy, historically practiced worldwide with serious consequences for a large part of the population even in normal conditions and in rich countries. We have examples of this on our very continent. The effects of such a policy are much more serious in the conditions of the special limitation of resources in which we are living. It is a price policy. The reduction of employment and public expenditures means the reduction of health and education services. I would say it is a policy which put millions of Cubans out of work. The Revolution adopted a socialist solution, a humane solution. The only humane way to confront this kind of situation is to distribute amongst everyone the resources we have. Now, is this the final state? No, it is not the final state. We must overcome this situation but we should overcome this situation by increasing production, increasing the production work force.

We can implement, complete this effort with a price policy; always using a price policy within the conditions of our social system which will be, above all, prices on surplus or nonessential products. We can implement prices that will not affect the possibilities of obtaining essential products for the lower income sectors of the population. Right now, we are applying [words indistinct] which show that the problem is not unsolvable.

We saw that the decision, alone, to sell cigarettes at 8 pesos—the surplus cigarettes production over the amount sold rationed—is a measure that could collect 400 million pesos each year at today's sales levels. Already, in 1992, the growth of excess money in circulation is less than in 1991. I say growth because the issue of money continued and the phenomenon has not been reversed. But, we could say this growth has been reduced with the application of just one measure. Other prices measures are being applied.

Tourism services for Cubans have increased; and the tubers and vegetables—agricultural products—have increased in price. [Words indistinct] these prices with the cost of production. And this group of factors [words indistinct] at a time when almost the only production that has increased this year is the production of tubers and vegetables for the direct consumption of the population. Production of everything else has continued to decrease. Nevertheless, one can already see this reflected somewhat in the phenomenon of the money in circulation. That is why we think that, in the future, the moment we can increase the different kinds of production, we will be able to find the real path to solving the problem. This could be complemented with price measures with these characteristics.

Notice that these measures [words indistinct] that measures were taken as regards pensions, and affecting retired persons. And the lowest pensions were increased, simply because of the concern over these measures, which were relatively slight.

The way we see the problem is that the solution to the current circumstances lies in solving the nation's basic problems; and the way to do it is to set to work. The path lies in setting ourselves to producing those resources most essential for the life of the population as well as those export resources which provide us with the hard currency we need. The path also lies in solving the problem at the roots, and not trying to solve it through pricing, through loss of jobs—which is a formula which we are seeing.

Now, under such circumstances, negative phenomena do occur. It is true that the black market has grown. Well, the black market irritates people a great deal. At a time when we are having such great difficulties, when the population is having to live with the restrictions imposed by the current circumstances, there is great rejection of

the black market on the part of the population. It irritates the population a great deal.

The first thing we should think about is that if our formula were not the proper one, the black market would be the actual market. I mean, the black market is, in fact, the other formula. If prices were our formula....[rephrases] Because, I mean, what is the black market? It is when a product comes to cost the highest price those who can afford to buy it will pay for it, in keeping with the demand for the product in question.

[Rojas] The law of supply and demand.

[Cruz] Of course.

[Lage] Yes, the law of supply and demand. If we were to apply that law in solving our currency problem, all our products would be on the black market. It would no longer be a black market. It would be simply the market.

[Rojas] That is a market economy.

[Lage] Yes, that is what a market economy is, and it would mean that millions of people would not have access to essential products. I mean, we have, in the black market, an example of what a market economy would be like in our country under the current conditions in Cuba. Therefore, I think the very existence of that black market shows us that our path is the correct one; and that an extension of that market cannot be the solution to our problems. Rather, the solution must lie in applying the measures we are applying, and in increasing production.

Does this lead to a disincentive to work? To some extent, yes. To some extent, in certain sectors, yes. However, [words indistinct] we have, when our principal problem is that we lack the raw materials and the resources to acquire them. If we can guarantee to an industry the necessary raw material, we have the workers for it, even under the current circumstances.

[Words indistinct] I have just returned from accompanying the commander in chief on a tour of Havana Province's agriculture. We visited the (Vial I) camp, in Batabano, where there is a group of workers from Cerro. There was a work spirit there that you thought, when you looked at those people: That cannot be paid for through any salary! No salary is moving those people to do what they are doing. There were 54 teachers at that camp who mobilized voluntarily from their normal jobs. They had given up their vacations. They asked that their mobilization to agricultural work for a week or two count as their vacation time. One says to oneself: What kind of salary could bring about such an effort? What kind of salary could possibly buy such an attitude? With what kind of salary can something like that be paid? No salary at all, of course. Under conditions such as those we are currently facing, and given our resolution not to....[rephrases] to all work together to, together, overcome this difficulty, sharing equally both what we have and what we lack, only the population's awareness—the clarity in their minds as to the difficulties we are facing, their patriotism, a revolutionary conscientiousness—can mobilize the population. And I think we should not....[rephrases] that our people do not deserve to be underestimated by thinking that monetary policies are necessary in order to guarantee their attitude vis-a-vis work. I think there are more than enough examples of that. Indeed, I think that if we produced 7 million tons worth of sugar during the last sugar harvest, it was due to the attitude of the sugar industry workers, who were working with an incredible lack of resources. And because our sugar industry workers have always been among our people's most revolutionary.

I think this does not mean we are not aware of the role a salary plays. Nor does it not mean we are not aware of the role of salaries under normal economic conditions. We were, in fact, within the process of rectification itself, applying wage incentive policies, and policies of acknowledging effort by means of wages. In plantain production, for example: In growing plantains using the microjet [irrigation system], a salary dependent on production increase was established. We are keeping this up. It is being applied now, and it is evolving in a positive way.

Now, we extended this, within the rectification program, to other types of production: pork, milk, etc. But the moment the resources indispensable for a particular type of production are lacking—(?resources) not dependent on human effort—such wage policies lose their effect. Therefore, right now, it is not those kinds of incentives, those kinds of mechanisms, that are decisive. However, neither should we underestimate them. We should not be unaware of them. And I think we must make a maximum effort to improve—even during special periods—the conditions of the workers who work at the hardest and most decisive tasks in the nation's economy. And we should—to the extent that we progressively overcome the situation, as the circulation of money in Cuba is reestablished—begin applying wage and monetary incentive policies, which are not in contradiction with the Revolution's socialist ideology but whose role and effect are, at a moment such as this, greatly reduced. I do not think we should rely on such mechanisms to solve these problems, especially since we are seeing the appropriate response come from the population in those places where the conditions for that response to make itself evident exist.

[Text] [Rodriguez] Pedro Rojas has asked me for the floor.

[Rojas] I would like to go back to the problems of the market again, and to the marketing process and the international market. Because, precisely, the papers, radio, and television recently carried a report about an economic agreement being signed with the Russian Federation. And, of course we have also received some questions from television viewers in connection with this. These viewers contacted us last week. Specifically, I

would like for you to tell us about the different effects this agreement signed with the Russian Federation will have on our economy.

[Lage] I think the agreements reached are indeed important. An agreement on economic and commercial collaboration was signed with the Russian Government, as was a commercial navigation agreement—a maritime commercial navigation agreement—a trade exchange and price agreement, and an agreement to form a mixed intergovernmental commission [words indistinct] between the two countries.

The first thing that is important about this is that these agreements were nonexistent in 1992. I mean, they are agreements between the two countries that help, facilitate, and favor commercial relations between the two countries. This is important for us because of the close way our economy is linked to the Russian economy. It is also important for Russia because its economy has also been linked closely, in that same way, with our economy over a 30-year period. It is also important because it allows [words indistinct] the moment [words indistinct] can be developed, have it develop directly, without intermediaries. Because it makes sense that part of the trade....[rephrases] for part of the needs of our economy and part of the needs of the Russian economy to have to be bought in the other country. If the two countries do not reach agreements to do this directly, it will be done through intermediaries and this is not the best way for either country to do it.

In this respect, the agreements are something positive. Economic collaboration was also discussed, as were the investment objectives in progress, among them the nuclear power plant. It so happened that a solution to enable us to continue these works had to be found—to continue the nuclear power plant and, actually, to begin to discuss other economic investment objectives, in an attempt to find formulas befitting the new relations that exist between the two countries. The formulas of preferential prices, development credits, and so forth that had existed up to now are, in general, no longer applicable to the policy being followed by the Russian Government. I would even say that they are not applicable to its current real circumstances, either. Nevertheless, it was agreed to examine these problems and find formulas allowing us to proceed with some of these objectives—particularly the nuclear power plant, which is, of course, a matter of interest to Cuba. I mean, it was not that we just up and decided not to build the nuclear power plant. We have reached the decision that circumstances have, for the time being, obliged us to stop building that plant. We can no longer afford to be investing resources—and substantial resources at that, such as deciding to build a nuclear power plant—when we have no guarantee that these credits are going to continue, that we will be able to obtain the credits we need from third countries, or that we will have a stable supply of the nuclear fuel once the plant is completed. So, given the present conditions, we need a full guarantee in order to carry out (?this effort). If we have such a guarantee we can make that effort, even during a special period, because of the importance of such a construction. There is a desire on the part of both parties to find a solution, to find a third party to participate. Now, whether and when this might be possible depends on a number of factors and no one can make any assurances. However, it is important for us to have jointly taken this position with regard to this project.

We must tell you that all these agreements, all these relations, are based on world market prices. That is, there is of course in no way a reestablishment of the conditions under which we conducted trade before. We are talking world market prices. However, given the circumstances of our economy and because of the factors we have pointed out, for us to have been able to reach these agreements within a climate of respect, understanding, and sincere seeking of solutions worthwhile for both countries is favorable.

[Pirez] Lage, President Fidel Castro was saying recently, at the National Assembly of the People's Government, that time is on our side, because the adversary collapses, weakens, falls into contradictions. What are the concrete prospects, from the economic point of view, for 1993? Also, what would the indicators of 1992's effort be?

[Lage] Yes. As regards 1992, I think the most important result obtained by the nation during this year is to have succeeded in resisting. It is not that we are satisfied with little. It is that to have resisted is a great accomplishment. I mean, bear in mind that the socialist bloc disappeared almost three years ago; and it has already been a year since the USSR disappeared. All the events we have examined briefly during these two programs have come to pass. The U.S. blockade has intensified and pressures of all kinds on the Revolution have increased, and yet the Revolution has resisted. It has remained standing—without renouncing a single one of its principles, without giving up its objectives, without relinquishing its achievements. This is despite the fact that we are today having difficulties that are undeniable. Our population is having to confront tough difficulties.

Our educational system preserves its achievements. You have the school year which has just begun. You have all the teachers with a classroom and all the children with a teacher. The schools are functioning. Education is capable of improving qualitatively each year. It can even lower its cost through thrift and rationing measures. We have an educational system unmatched by any other country of this continent—even under special period conditions.

We have the health results that we talked about during the last program. We are having difficulties with the food supply, with resources for supplying the population with food; nevertheless, we can say that no Cuban suffers the hunger suffered by 43 million other Latin Americans. I am talking about critical poverty, not about mere poverty. This is in all the countries of Latin America.

I mean, we have resisted. The country is united. We have preserved the social order. We have preserved our main achievements. All of us have shared the effort. We have not abjured our principles. I think this constitutes a great victory. I would say this constitutes 1992's principal indicator. Now, if we refer to classic economic indicators, our main lines of production have declined and it could not be otherwise. But there is an effort.

We can add that the nation has taken measures to adapt its economy to the new conditions under which it must develop, and so as to have its organizational structure and its economic effort correspond to the circumstances of an economy fully engaged in the world market. We have opened up to investment of foreign capital. We have promoted this. It is developing.

Mechanisms have been organized to give certain exportable activities maximum priority, even under the current difficulties—the maximum priority possible. We have experimented with, for example, mechanisms for self-financing. This is the case with the fishing industry, the nickel industry, and certain other activities. This consists, essentially, in those industries' retaining part of the resources produced by their exports so as to guarantee the raw materials necessary in order for them to continue producing and to some extent do the necessary maintenance. This year the fishing industry has maintained the volume of past years, and has even increased its freshwater fish production. It has even grown a bit as regards the consumption of fish by the population—as a result of greater efficiency between fishing and the buying of fish on the world market. This activity is one of the activities that keeps part of the income it earns for itself by exporting, that exports directly, that imports the specific resources it requires, and that functions as a complete activity.

This has been extended to certain other essential productions of Cuba's exportable resources such as nickel and steel. Organizational conditions have been created to allow us to bring these productions back to par gradually, progressively. I say progressively because it is not possible, either, to hold back all the resources that that industry requires, because we have to maintain a proper balance so as to retain there the necessary resources while satisfying certain essential needs of the population. That is a contradiction which I would say we have to face almost daily in the development of the economy. But an adaptation of our operational mechanisms, greater direct access to the external market by producers—always under state control and, of course, under a centralized decision as to what use is to be made of such funds, yet one that will enable those activities that generate exportable resources to create the conditions necessary to reproduce and progressively increase their production. [sentence as heard] This is being applied today in, for example, the fishing industry, in the nickel industry, in aviation, and in steel. Now it has been extended to the cement industry and certain other types of production.

There is another element that is not as important economically but which I would like to point out, because it has political importance; and that is that a group of activities that are budgeted by Cuba has been created. Also, marketing of services abroad has been promoted and developed, and hard currency sources are being sought. This hard currency is used to keep those same activities going. Let us say, for example, sports activity in Cuba used to receive from the central government some $5 million in hard currency annually for international sports activities. Well, through the participation of teachers and trainers providing services abroad, the renting of sports facilities, the production of the sports industry, the contribution of the teams that win international prizes in hard currency...

[Rojas, interrupting] Volleyball just earned $200,000.

[Lage] More recently, volleyball. This goes into financing the nation's sports activities as that volleyball team's contribution. We can say that the nation's economy did not give the National Sports, Physical, and Recreation Institute [INDER] any money this year. This is important not because of its economic weight but because of the fact that people might ask themselves: Why are we spending resources on this when we are having so many difficulties and are facing so many limitations? [Rojas] Conrado [INDER President Conrado Martinez] made that pledge at the Party congress.

[Lage] Conrado made this pledge at the Party congress....

[Cruz, interrupting] It is true that people do many times ask themselves exactly that: Why are we spending this when we have so many....

[Lage, interrupting] Well, why do we spend money on making movies and so forth? Well, because the movie industry is developing certain activities on the external movie industry market—sale of movies, translation services, and so forth—that guarantee the resources for a particular level of film production. If we use those resources for producing something else, we will not have access to more resources. Thus, even though this may not have an extraordinary weight, may not be terribly important to the nation's economy, I think it is important as an example of formulas that have been adopted. There should be many more of these so that certain activities can continue operating and even grow and developed even under the conditions of the special period.

I think there is a second aspect, in addition to having resisted; and that is the fact that we took internal, organizational measures having to do with domestic policy. Such as, for example: this policy of dealing with the excess of circulating currency by means of a rational and controlled distribution of resources, a policy which the population can understand; and like these examples—to adapt to the conditions of the special period and to organize our efforts to come out ahead. We could say that, in addition to this, there are even economic activities that even at the present time, in a year as difficult as this one—for we could say that 1992 is the first year

during which the country is feeling fully the consequences of the disappearance of the socialist bloc—even under conditions such as these, there are certain productions to which the country has given priority and in which there has been growth.

As we were saying here, the tourist industry has grown, as has the production of tubers and vegetables, the extraction of oil, and the activities of the medical and pharmaceutical industries. These are spheres to which we have given priority and which are already showing results, even in this year of greatest negative impact on the economy and despite very great resource restrictions. This shows us that the path followed, the policy laid out, the strategy outlined has possibilities, has a future. And it all depends on the effort we make, on our work.

To address another part of the question: Looking toward 1993, into the future, I think we should expect to face a very difficult 1993. It will be a year that we could say could well be as difficult as this year, or even more so. We have to look objectively at the external factors that are affecting things, such as the effects of the embargo, the Torricelli Law, the effects on prices that we have examined here, and so forth. We must also take into account the factor constituted by the time an economy needs in order to recover from circumstances as difficult as these. I mean, very clearly, we should not expect to find immediate solutions during the course of 1993. Rather, we should even be prepared to face even greater difficulties. That is the truth of the matter, and we must say so, and tackle the situation that way.

I think the international circumstances at this time, in this year of 1992, this past year, have made it very difficult for the Revolution. There has been a big wave of leaning toward the right, toward becoming more conservative. This trend is related to the fall of the socialist bloc, the disintegration of the socialist bloc. We could say that with the disintegration of the socialist bloc, neoliberalism emerged forcefully. This makes sense, of course, because we must not forget that it was, precisely, socialism that was one of the factors that drove capitalism to adopt special programs, and gave rise to capitalism's social concerns. Capitalism, before the emergence of socialism, was a much more heartless capitalism; and it was, precisely, with the emergence of socialism, with the growth in strength of the revolutionary movement worldwide, in view of the danger of possible revolutions, that capitalism adopted programs that have a certain social character to them, that pay a certain amount of attention to social problems. In many cases, this is accompanied by governments and people with sincere social concerns and inclinations. But it is the presence of socialism and the boom in the international revolutionary movement that tipped the balance for capitalism to lean toward a more humane form of capitalism, a capitalism that is more attentive to the problems of the masses although it has not found solutions to those mass problems. When socialism disappears, of course, that tendency—a trend I would call natural—of the capitalist system, returns. This has given neoliberalism a boost.

I think there is evidence, however, in the most recent international events, to show that this wave is not universal and that it will not be eternal. I think the victory of the progressive forces in Guyana, the Popular Movement for the Liberation of Angola victory, the return of the communists in Lithuania, the victory of the progressive movement in Romania, and even Bush's defeat itself, are examples of circumstances that can already be seen on the international scene and that constitute, let us say, an obstacle to that wave. They are [words indistinct] that wave even before it reaches the shore, and even well away from the shore, let us say.

I mean, we must not think it is a foregone conclusion. These things show that this tendency to shift toward the right does not mean the end of the progressive and revolutionary movement but rather a difficult moment for the progressive and revolutionary movement that our people must be—and will be—capable of resisting. I think that in the future....[changes thought] Hector, I think we are already....

[Rodriguez, interrupting] No, but, I mean, we do not want to abuse your presence.

[Lage] ...reaching the end of the program. There are only two minutes left.

We are strong enough to get through these difficulties. This country came up against these extremely difficult circumstances armed with a certain amount of development, and already having made certain very important achievements. We have the sugar industry, which has shown itself to be capable of producing 8 million tons, and more. We can recover that production.

We have a nickel industry that has a production capacity greater than our current production levels. There is industrial development in the country, though it does need to become more efficient. Nevertheless, the country does have industries: steel, cement. It has textile plants, paper factories, cardboard factories. It has plants in many fundamental sectors. We have an important capacity to meet needs and enter the international market.

The country has developed new spheres for....[rephrases] to prioritize the future: tourism, the pharmaceutical industry. These are beginning to yield their first results.

We are learning to economize and to make our economy more rational in every way—driven by circumstances yet learning nevertheless; and those lessons, that knowledge, will remain with us. There is also a mass movement in innovations and efficiency. We are nearing a spare parts and advance technology forum at which more than 60,000 solutions of all kinds will be presented. There is

participation by the masses in solving an infinite number of problems. There is scientific and technical development and a desire to have that science and technology be increasingly incorporated into developing the nation, to have it be a part of the nation's productive forces. We are seeing results in that field.

This is a country that is developed educationally, politically, and culturally. The country is strong enough to confront the current difficulties. Also, we have an organized country, a country that has managed to confront these circumstances without loss of social order. I would also say that we have a country with an extraordinary human and revolutionary potential. That confidence in our people—their capacity for selflessness, for hard work; and their ingenuity in solving problems—is, I think, the principal cause of everyone's optimism.

Of course, we also have the Revolution's historic leader, whose talent, devotion to the population, and firmness has brought us this far and will lead us to victory.

I think that maybe this is my last statement because we have already run overtime. The last thing I would like to say, with the greatest sincerity is that I am absolutely convinced that we have, in the Cuban people, the strength and the conditions necessary to bounce back, to overcome these difficulties.

[Cruz] So are we.

[Rodriguez] Well, I think we have touched on all the essential points concerning the nation's economic problems. I think that within a few months....[rephrases] Well, the doors are open, Comrade Lage. But because there remain many topics and many questions, of course, in the next few months....[rephrases] Let us extend the invitation now, for you to return here in the next few months, whenever you deem it appropriate, yourself or other comrades....

[Pirez, interrupting] There are many subjects people we would like to discuss.

[Lage] There are still many topics that can be discussed. Indeed, the program has been discussing many topics of current interest in the country in different ways.

[Rodriguez] Well, I want to inform our television viewers—because many people were concerned because they would not be able to watch the program today and they are very interested—that this program will be rebroadcast on Sunday [15 November] at 1700 [2200 GMT]. Both programs. Yes. Friday's [6 November] and this one [Wednesday, 11 November], for those who may have missed the first program.

All there is left to say is, well, that it was very nice of Comrade Lage to have come here to talk to us all and we thank him. I wish you great success in your work and in your personal life, Lage. I am sure that the working people of Cuba are grateful to you.

[Lage] No, thank you and the journalists. Thank you, everyone.

[Rodriguez] Thank you to all.

Inter-Caribbean Affairs

Officials Fear Lower CET, Increased Competition

FL1711182492 Bridgetown CANA in English 1521 GMT 17 Nov 92

[Text] Citrus growers say despite the region's 40 percent Common External Tariff [CET] on agricultural products, extra-Caricom competitors are still undercutting them in the regional market. The Caricom producers say they are worried that moves to lower the 40 percent CET ceiling will freeze them out of the region completely. The fears were expressed to Caricom Secretary General Edwin Carrington when citrus industry representatives from Belize, Trinidad and Tobago, Jamaica, and Dominica met here last Friday [13 November] to discuss formation of a regional growers association.

Belizean producers say they are especially worried about being undercut by extra-regional supplies in the Caricom market. They say the Caricom market, into which last season they exported 40 percent of their citrus concentrate worth 15 million dollars (one Bz dollar = 50 cents U.S.), gives them a platform on which to build their exports outside the region. Jamaican representatives also pointed to Cuba which they accused of dumping cheap citrus into Caricom because of its ability to produce, using cheap labour.

Chairman of the Belize Citrus Growers Association, Anthony Chanona, who is also founding chairman of the Caribbean Citrus Association, said they will continue to lobby against any moves to further reduce the CET on their products. Chanona said the CET was supposed to protect regional citrus products against extra-regional competition.

"We feel that economies of scale make for an uneven playing field and allow for extra-regional products to come in, pay the tarriff, and undercut our market," he said. He accused some Caricom members, which are currently the subject of structural adjustment measures, of lobbying to reduce the agricultural CET as a result of pressure from the international lending organisations.

"We understand certain member countries of Caricom have serious debt repayments and structural adjustment loans but it has to be clear that any reduction (of the CET) is geared at taking our markets." He said Belize was fiercely protective of its markets because over the years it had been a very efficient producer of top quality citrus concentrate.

"Competitiveness is one thing. Subsidised competition is another." Chanona said the Caribbean Citrus Association was lobbying the Caricom secretariat for a region-wide study of the industry. "We feel that we have earned

the right to produce this product within the region. Belize has the capacity to produce eight times the current requirement, and any country that sources its product from Belize pays no duties. The whole spirit of Caricom is that if a member can produce, then we think that we have that right for them to source it from within the Caricom region. We are very concerned that there are those member states that prefer to source it from outside the region when clearly a regional member can produce," said Chanona.

In a speech, Secretary General Carrington said Caricom would be unwilling to lower the 40 percent CET for agricultural products until countries in the developed world were willing to cut high agricultural subsidies for their farmers. However, he said that membership of Caricom did not imply a complete monopoly of the community market. He quoted figures which, he said, showed that Belize was losing ground in the Barbados citrus market because of its pricing and commercialisation policies.

Conference Urges Stronger Voice in Europe

FL1711214592 Bridgetown CANA in English 2125 GMT 17 Nov 92

[Text] Bridgetown, Barbados, Nov 17, CANA—A stronger Caribbean voice is needed in Europe if the region is to retain vital trade and economic links with Europe, the newly-formed Caribbean Council for Europe said Tuesday [17 November]. Reporting on this month's fifth Europe/Caribbean conference in Curacao, the organisation also warned of reduced aid cuts affecting Lome IV, the next trade pact between Europe and African, Caribbean, and Pacific (ACP) states, and the likelihood of "new conditionalities" being introduced by the Europeans.

"Today, the unique problems facing this area have dropped very low on Europe's agenda. The region has to develop strategies that ensure that the Caribbean's voice is heard in Europe and that prepare the region for change," said the council in a communique on the meeting.

The conference noted with concern that the Caribbean region was still far from being able to develop and implement a regional strategy towards Europe and the North American Free Trade Agreement (NAFTA). It said that although the private sector recognised the urgency of completing the Caribbean integration process so as to compete in a world of trading blocs, many delegates remained concerned at the apparent inability of governments and in particular their bureaucracies, to safeguard the position of the Caribbean in the new world order.

"Delegates reiterated the conclusion of the 1991 conference that the region's response to change is too slow. "All nations in the region need to move quickly to join together in one market if the Caribbean is not to be marginalised by global economic change," said the communique.

It said while delegates welcomed most of the decisions taken at the recently-held Caricom [Caribbean Community] heads of government meeting many of them expressed disappointment at the decision to set up a Caricom bureau rather than a Caricom Commission, as proposed by the West Indian Commission.

"....The decision by Caribbean heads of government to chose a different approach left many delegates with serious reservations as to whether this will prove to be an effective alternative or one which will lead the region to its goals," reported the council.

The delegates urged urgent attention to negotiations on a new Lome Accord. It said: "In preparing for this the Caribbean public and private sectors will have to concern themselves with the fact that as aid budgets are cut worldwide there may be little in the way of additional funding in the second period of Lome IV; that existing preferences will be eroded by global trends towards trade liberalisation; and that new conditionalities may be introduced by the EC relating to issues such as good governance, privatisation, trade liberalisation, the encouragement of the private sector, and the strengthening of regional integration movements."

More than 400 delegates from government, the public, and private sectors from throughout the Caribbean region and Europe attended the conference.

Anguilla

Opposition Leader on European Unity

FL1811144292 Bridgetown CANA in English 1418 GMT 18 Nov 92

[Text] The Valley, Anguilla, Nov 18, CANA—Leader of the parliamentary opposition in Anguilla, Hubert Hughes, wants his colleagues on both benches to seriously discuss the implications for the British colony of European unity moves and Whitehall's management of Caribbean dependencies.

He urged them "to stop the political tinkering and come together to address meaningfully such issues as the ramifications for Anguilla of the Maastricht Treaty and the white paper—a document relating to the British Government's proposed management of the Caribbean dependencies." The Treaty is seeking to facilitate the political, economic, and monetary union for members of the European Community.

Hughes said, "Europeans are becoming more racist and are coming together as an ethnic group." He complained: "Whatever Europe does, Europe is doing for Europe and we are seeing more and more some of the disadvantages right now, in that Britain has moved into Anguilla to protect European interests." He added that Britain can

take more advantage of Anguilla because "we are a British dependent territory.... If you look at the white paper there is nothing said about development.... All that is said is about control." The opposition parliamentarian said that the British Government has had a hidden agenda for Anguilla for some time now.

"I have advocated to the rest of the elected members, whether in government or outside of government, that we have a national approach to politics and to dealing with the colonial office," Hughes said. "I think we have stratified ourselves into political parties far too much."

The white paper, a document circulated here, said the British government would set up a dependent territories board to look after its colonies, including those in the Caribbean. The new body will provide better coordination between the foreign office and the overseas development administration in London. The aim is to strengthen the economies and legal structures of the territories and ensure that their offshore financial activities are run properly and legally.

The paper is to be discussed in Montserrat later this week by the leaders of the four dependencies affected - Anguilla, the Turks and Caicos Islands, Montserrat, and the British Virgin Islands. There has been some opposition in Anguilla to the document. People here complained the paper was produced without any consultation with individuals or the government of Anguilla.

The Bahamas

Government Saves Bahamasair Airline From Bankrupcy

FL1711180292 Bridgetown CANA in English 1736 GMT 17 Nov 92

[Text] Nassau, Bahamas, Nov 17, CANA—The Bahamas Government will have to pump U.S.35 million dollars into Bahamasair this year, and another 16 million in the first half of 1993, to keep the financially-strapped national airline in business, according to Prime Minister Hubert Ingraham.

Faced with an accumulated budget deficit of 240 million dollars, the three-month-old Free National Movement (FNM) government has been carrying out a comprehensive review "with painstaking" scrutiny and analysis of the policies and practices of the previous administration, Ingraham told Bahamians in a television address Sunday [15 November] night.

"The information coming to hand confirms what has been common knowledge in our Bahamas; that there had, for years, been serious mismanagement and misuse of the public finances; and that there had been impropriety, and extraordinary extravagance, abysmal neglect and waste in the handling of the economy, and of the public finances," Ingraham said.

Ingraham, who presents his first budget on Wednesday, said the most devastating consequence has been the high rate of unemployment. Another consequence is the government's inability to pay public bills and to service public debt without additional large borrowings, he added. The previous government had to borrow 240 million dollars to pay the budgetary shortfall between 1987 and 1991, and the new government must re-pay the loan, he said.

Ingraham identified wasteful expenditure at Bahamasair, the recurrent budget deficits and borrowings for the Nassau International Airport project as the major components of the government's steep debt increase—from 527 million dollars in 1987 to 860 million dollars by the end of 1991. Bahamasair was allocated 4.3 million dollars in the 1992 budget, but a total of 35 million dollars will actually be pumped into the airline this year, he said.

"Even with these massive injections of funds, Bahamasair's problems would not be at an end because the airline will continue to lose money and be the major drain on the public purse," Ingraham warned.

He singled out the hotel corporation of the Bahamas as another example of ineptitude and financial irresponsibility. He said the corporation was permitted by the previous government of Sir Lynden Pindling to borrow 150 million dollars, for which the government is now making repayments of over eight million dollars every six months.

A vast amount of money has also been tied up in the new Nassau airport terminal, which was "virtually abandoned" after the full budgeted amount of 58 million dollars had been spent, Ingraham said. The project is still far from completion, and it will take at least another 25 million dollars to complete the terminal, he said.

"When you consider that the previous administration started the project after air arrivals into Nassau had gone into decline, the decision to proceed is nothing short of bewildering," said Ingraham.

El Salvador

FMLN Warns Against Possible Army Troop Deployment

PA1811205092 San Salvador Radio Farabundo Marti Network in Spanish 1800 GMT 18 Nov 92

[Text] The Farabundo Marti National Liberation Front [FMLN] has termed the possible deployment of Army troops to coffee plantations in former conflict-ridden areas—which was announced on 16 November by President Alfredo Cristiani—as a serious provocation and an obstacle to the peace process.

The FMLN issued a con nunique warning that assigning public security duties to the Armed Forces before or immediately after the end of the cease-fire poses a threat to the peace process and violates the Constitution on the new duties of the Salvadoran Army.

On 16 November, Cristiani reported a plan to move Armed Forces personnel from the concentration points in December to allegedly protect the coffee plantations during the upcoming harvest. The FMLN denied, however, that the Army presence would avoid crime on the coffee plantations, adding that the crime problem should be resolved by the police and not the military.

According to the FMLN, the government is trying to recover land in the former conflict-ridden areas. To do this, it will resort to the Armed Forces. This will permit it to evict and repress residents, landowners, and former combatants in this area.

We suspect this is a deliberate measure aimed at breaking the cease-fire and ending the Chapultepec Agreements, the FMLN concluded.

FMLN Claims Army Launched Mortars at Cooperative

PA1911014192 San Salvador Radio Cadena YSU in Spanish 1230 GMT 18 Nov 92

[Text] The Farabundo Marti National Liberation Front [FMLN] Political Committee on 18 November presented to the media an 81-mm mortar grenade indiscriminately shot by the Artillery Brigade at the La Isla agricultural cooperative, located approximately 35 km north of San Salvador in the San Juan Opico municipality. The mortar fell approximately 5 meters away from a group of peasants working on a bean plantation and, miraculously, did not explode.

Saul Sanchez, leader of the FMLN Political Committee, told the reporters other projectiles shot at the area also did not explode. Sanchez added that the Army has a group of soldiers stationed at the agricultural cooperative that are beyond the control of UN Observers for El Salvador [Onusal], which is a violation of the peace agreements. This far into the peace process, the Army should not be carrying out combat exercises, said the FMLN leader.

[Begin Sanchez recording] We want to denounce the irresponsibility of the members of the Armed Forces and the Artillery Brigade who are carrying out exercises, which violates the peace agreements and endangers the lives of the civilian population. We prove this by presenting to you the projectile—the 81-mm mortar—that was fired at the La Isla Cooperative in the San Juan Opico jurisdiction. Fortunately, the projectile did not explode because Pablo [name indistinct], a member of the cooperative, would have been killed.

We also have reports that [words indistinct] others in that cooperative and they are asking: Why is this happening? The people are being killed, they are practically bombing the cooperative, and Artillery Battalion troops in uniform are present on property belonging to Mr. [name indistinct].

In light of this situation, the FMLN Political Committee requests an in-depth investigation [words indistinct] of the persons who committed the crime against Ricardo Aguilar, and [words indistinct] for the murder of the other people. We are also asking Onusal to end these exercises and activities of the members of the Armed Forces. We also charge that members of the Atlacatl Battalion are entering the Colon area at night with weapons and with their faces painted, as if they are going to battle. They enter in groups of two, three, or five and go toward the [word indistinct]. The people in the area are very frightened and are afraid that the [words indistinct]. [end recording]

The FMLN leader said the Army has spread terror in several towns in La Libertad Department, where troops of the Artillery Brigade, Cavalry Battalion, and Atlacatl Battalion patrol frequently without the oversight of Onusal observers.

At the La Isla Cooperative on 26 October, unidentified men shot at two peasants with machine guns. One of them, Israel, was killed instantly, but the other peasant was not hurt.

The FMLN announced they will present to Onusal the projectile fired by the artillery brigade and demand that the government investigate the suspicious movements of military units outside the garrisons, where they have been concentrated since the peace agreements were implemented on 1 February.

Guatemala

Authorities Restructure State Security Forces

PA1811202692 Guatemala City Teleonce Television in Spanish 0330 GMT 17 Nov 92

[Text] The Hunapu Task Force was transformed on 16 November by a new comprehensive plan to restructure state security forces, it has been officially announced. Representatives of organizations involved in this restructuring met on 16 November and decided that, henceforth, civilian protection duties will be restricted to

the National Police. The Army and Treasury Police will play limited roles in support of the National Police in certain operations. Soldiers and Mobile Military Police members who operate in urban areas will now sport khaki uniforms instead of Singapore-type uniforms.

The Immigration and Customs General Directorates, Public Prosecutor's Office, Office of the Human Rights Ombudsman, and Judicial Branch will be represented officially in this security plan. To prevent corruption in the implementation of this security plan, Army intelligence service members will be assigned to the Police Professional Responsibility Office.

In carrying out this new security strategy, the National Police will use a recently acquired lot of radio patrol and other repaired units. Several vehicles taken away from National Police advisers, which will soon be adapted as radio patrols, will also be incorporated in this fleet.

Nicaragua

FSLN Communique on Meeting With Goverment

PA1911041192 Managua BARRICADA in Spanish 18 Nov 92 pp 1, 6

[Communique issued by the Secretariat of the National Directorate of the Sandinist National Liberation Front, FSLN, in Managua on 17 November]

[Text]

Communique

The Secretariat of the National Directorate of the Sandinist National Liberation Front [FSLN] reports on the meeting it held with the Nicaraguan Government on 12 November 1992:

1. We participated in that meeting to discuss proposals that would allow us to make a national effort to resolve the unemployment problem, economic recession, the high cost of living, and the property problem.

2. In this spirit we listened to reports, which the government delegation prepared, on how the economic adjustment plan is being implemented. We pointed out to the government delegates the need to lessen the severity of the plan, so its effects would harm the people as little as possible and permit the economic reactivation of the country.

The government representatives held to the economic adjustment plan and went as far as to claim "there is no hunger in Nicaragua" and "the unemployment situation is not that grave." The FSLN National Directorate tried to make the government aware of the dramatic situation in the nation.

3. Since the government has not responded to the proposals that the FSLN presented in an official document on 25 July, we now demand that it resolve the following:

a. Definite solution to the property problem.

b. Organize and immediately implement a thorough plan to provide legal, technical, financial, and other necessary support to small- and medium-sized producers, especially to the people who have recently benefited from the property assignment process.

c. Establish an industrial rehabilitation and reactivation plan to give local industry temporary support in the face of foreign competition.

d. Adopt corrective measures to attack the factors that have made Nicaragua the most expensive country of Central America.

e. Use foreign resources in recovery programs to expand the country's productive capacity and reconstruct its productive infrastructure.

f. Suitable distribution of bank credits to encourage the small- and medium-sized production sector.

g. Organize a short term program to contribute to massive job creation.

h. Establish a social policy capable of offering the people basic guarantees.

Since the government delegation did not answer our proposals and we ran out of time at the meeting, we decided to discuss these points at two forthcoming meetings. The meeting on the property issue will take place on 19 November.

4. During the meeting, Finance Minister Emilio Pereira presented two letters: in one, he officially requested that he be given a report to which Reynaldo Antonio Tefel, member of the FSLN Ethics Commission, referred during an interview published by BARRICADA. In the other letter, Minister Pereira requested a list of all the citizens to which the Sandinist Government has paid indemnities.

With regard to the first case, Tefel noted that all the activities of the Ethics Commission have been reported to the Sandinist Assembly and that there was no specific report related to Laws 85, 86, and 88. Tefel said the Ethics Commission knows of only four cases involving these laws and this can be of little help in resolving the 11,000 cases that the Office for Territorial Organization [OOT] is handling.

In any event, the government must recall that under Laws 85, 86, and 88, property transfers were made in the framework of general laws and each beneficiary personally went through the necessary procedures by themselves, and therefore, the FSLN has no information on that.

Regarding the second case, we want to tell Minister Pereira that the information he has requested is at the National Institute for Agrarian Reform [INRA], the Finance Ministry, the Ministry of the Presidency, and

INRA's department delegations. Any order to centralize this information would be a matter of political will and efficiency, and the government alone has this responsibility.

5. The irresponsible assessment that government officials have made of the meeting held between the FSLN National Directorate and government representatives has made evident the lack of will to make rectifications where rectifications are necessary to overcome the grave economic crisis that is affecting the majority of Nicaraguans.

Such assessments nurture increasingly violent and revengeful attitudes by the "Group of Three," which is demanding that Sandinist leaders face firing squads. Assessments of this nature encourage extremist positions by Higher Council of Private Enterprise [COSEP] people who in secret meetings have reached the conclusion that "it is necessary to kill Sandinist leaders" to leave the people without leadership.

6. Government officials have not expressed a will to correct mistakes that must be amended. Meanwhile, those who speak of revenge and confrontation, of sending Sandinists to the grave, to prison, or to exile, and of depriving the people of their properties and of the right to speak and to protest, are gaining ground.

The Somozists and the rich landowners continue to take advantage of hunger and the lack of credits and land titles to seize agrarian property from cooperatives and small property owners. They are also resorting to "little notes" from the Prosecutor's Office and from cheap judges to exert pressure, so the country's armed institutions become tools for plundering agrarian property.

Efforts are being made to blame Sandinism for Nicaragua's ills and the threats against the people are increasing. More than 300 Sandinists and members of the police and Army have been murdered. One of the most brutal murders was that committed against the entire Pravia Caballero family, including two children, in El Zungano, Wiwili. There have been selective killings of Army and police officers, as in the case of First Lieutenant Rogelio Martinez, deputy commander of the National Police's Patrol Department. He was killed on 16 November in Cuesta del Plomo. All these crimes are encouraged by "The Group of Three," COSEP leaders, rich landowners, and Somozists.

At the meeting, the government refused to acknowledge the fact that there is hunger in Nicaragua and argued that the unemployment problem is not that grave "because if it were, it would be impossible to move around" because of protests, which apparently the government needs in order to understand the seriousness of the crisis we are enduring.

The FSLN is reporting all this to the people of Nicaragua and to the international community and demands from the government a serious, respectful, and constructive attitude, so that the crisis affecting Nicaragua's society may be overcome.

As we clearly stated in the 12 November meeting, we expect:

a. An answer to our call for correcting economic policies.

b. An answer, without further delay and manipulations, to the property problem. If the government believes that some persons had their property unjustly confiscated because of Decree 38, it must publicly prove that, the same way it must prove the charge that the Sandinists committed abuses.
[Issued] Managua, 17 November 1992
[Signed] Secretariat of the National Directorate, Sandinist National Liberation Front

Interview With FSLN Commander Bayardo Arce

PA1811180792 Managua Radio Sandino in Spanish 1830 GMT 17 Nov 92

["Exclusive" interview with Commander Bayardo Arce, member of the National Directorate of the Sandinist National Liberation Front, FSLN, by an unidentified reporter; place, date not given—recorded]

[Excerpt] [passage omitted] [Reporter] Commander, [Finance Minister] Emilio Pereira asserts that the Sandinist National Liberation Front [FSLN] leadership has refused to surrender the list of individuals who have been found guilty of misusing state property. How do you respond to this?

[Arce] As I said, that remark is a clumsy effort at manipulation by Pereira. Had there been cases of abuse within the FSLN, we would have dealt with them through party mechanisms. We cannot have lists of abusers simply because we issued general laws that affected Moors and Christians, Sandinists and non-Sandinists. We did not go around asking who lived in the homes in the 14 September, Nicarao, and (?Tenderinche) neighborhoods. If I am not mistaken, the votes cast in those areas prove that a large number of people voted for the National Opposition Union [UNO] and in many cases there were more votes for the UNO than for us. They received homes in accordance with the law, however.

Those laws established that every citizen who was interested could conduct his own process to make his situation legal. How can the FSLN have a list of individuals who perpetrated abuses? On the contrary, the government says it has such lists, and the letter published by Pereira states that the economic cabinet has officially investigated 1,700 potential cases. To begin with, that seems strange to me because the economic cabinet does not conduct official investigations; it is a reviewing body that should not be conducting official investigations. That it does shows that it has certain intentions. Since it has conducted investigations, the cabinet should present

its findings or it will be the one covering up any irregularities that may exist. If the cabinet has the cases it should present them and correct them.

From the very outset the FSLN stated its willingness and resolve to help correct proven irregularities. The FSLN does not cover up anyone's irregularities.

[Reporter] Pereira bases his assertions on an article published in BARRICADA by Reynaldo Antonio Tefel, a member of the [National Assembly] ethics commission. Are there or are there not any names?

[Arce] That is exactly the form of manipulation I pointed out at the meeting with Pereira, although I had not read the article. Tefel's article made reference to the ethics commission. We all know that the ethics commission recently issued a controversial communique to the effect that it had received 24 complaints, 17 of which had already been resolved or were in the process of being resolved. It even revealed a few names involved in labor issues. This is what created the controversy. I asked Pereira what that had to do with the situation, assuming that among those 17 cases some involved Law 85. I asked him what that had to do with his refusal to resolve the cases he had received. You reporters have said that the government has examined over 1,500 cases and more than half have been rejected for various reasons. They have even invented new ways to create problems for the people. Now they are saying something about ballots and so forth.

Do you know what Pereira's response was? He attacked the media, saying that the reporters had manipulated the situation. He did not say this was a new procedure to receive [words indistinct] but that they wanted the people to present documents to prove they lived in a house. He even said that a subscription to BARRICADA or any other newspaper would suffice to prove one's residence. Pereira said the media (?misunderstood) and because of that the government had to reject many people.

The FSLN, however, immediately invalidated Pereira's argument that he was waiting for us to give him an ethics commission report. We have no reason to give Emilio Pereira any ethics commission report. The only ones entitled to demand a report from the ethics commission are members of the FSLN and if he wants that right he must first earn the right to join the FSLN.

[Reporter] How would you describe the current relationship between the FSLN and the government?

[Arce] I believe relations should not be measured by the irresponsible reactions of a minister. In any case there is a president and a sort of prime minister, who is the presidency minister and, so far, they have not supported Pereira's positions. Therefore, I will stand by the evaluation I made following the meeting on 12 November. I believe we had a sincere and very cordial exchange, and we managed to identify a series of issues that could allow the government and FSLN to reach a basic understanding, which this country needs to look to the future. I hope these incidents are no more than beginners' blunders and brash remarks by Engineer Pereira, who seems quite interested in stealing the limelight and seeking publicity. He immediately took out paid advertisements and called a news conference, which indicates that his actions were premeditated.

[Reporter] Certain statements by Sandinist leaders over the weekend have been described as extreme and radical. It has even been said that the government has been threatened with expulsion by means other than elections.

[Arce] Absolutely no one has said that. I carefully read what was said. On 16 November LA PRENSA twisted the report that appeared in EL NUEVO DIARIO [words indistinct] and what Tomas Borge said, that he is certain that the FSLN will regain power. He has said it, I have said it, and all Sandinists have said that in 1996 we will regain power. Tomas said we would regain power through new mass mobilizations. All electoral campaigns entail huge mass mobilizations and struggles. Tomas spoke of attaining power prior to 1996 and Commander Ruiz said the government is obstinate when it comes to economic and social problems, that it says these problems do not exist or that they are moral or spiritual.

Pereira is now saying the problems do not exist, that they are internal party problems, that we are inventing things. The government is creating a desperate situation. The people are increasingly protesting and Pereira himself is inviting them to feel the crisis, to be violent and [word indistinct].

This may cause the FSLN to rebel. Why do I speak of a rebellion? The FSLN has offered the government understanding and support. We said this at the last meeting. The FSLN has worked at its highest levels; Daniel Ortega, Sergio Ramirez, and members of the FSLN National Directorate have visited all the countries of the world seeking aid for this government.

We have not done to this government what it did to us—campaign against aid for us. We do not have an annihilation plan. In the document we presented on 25 July we acknowledged that the government is not to blame for all the causes that led to the crises of the Somozist legacy, the war, and so forth. We pointed out, however, that the government's policies are having an effect and we proposed alternatives. Ours is not a negative position. If all of our efforts are reacted to with attitudes like Pereira's, it is justified for Commander Ruiz or any Sandinist leader or any member to say [words indistinct] we are only making fools of ourselves. [passage omitted]

Lacayo Visits Bluefields, Discusses Privatization

PA1911010292 Managua Radio Nicaragua Network in Spanish 1100 GMT 17 Nov 92

[Statements by Presidency Minister Antonio Lacayo on 16 November in Bluefields—recorded]

[Text] [Lacayo] I believe there is some confusion on the need to privatize. We all have this problem, including trade unions and political parties. The various groups we have talked to these past weeks all agree that privatization needs to be expedited. Obviously, there are enterprises that cannot be privatized until personnel is reduced. Normally no one is interested in investing or purchasing a factory with the amount of workers they currently have. What takes place is a sort of temporary cutback, which later picks-up and workers are rehired when the plant's capacity allows. We have seen this in the case of clothing manufacture. National Clothing Enterprise [Enaves] previously had about 400 workers, then it was privatized, and now there are two enterprises working that together have about 700 workers—300 more than in the past. If we had tried to sell Enaves with 400 workers, we could not have sold it. The same thing happened here on the Atlantic with the fishing enterprise. The fishing enterprises that have already been privatized are now bustling with far greater activity than before they were privatized.

We must then conclude that this is the way. This is not a case of the government reducing the number of its workers. This applies to enterprises that undergo privatization and are thus made attractive for purchasers. Once these enterprises recover, they are able to generate more jobs than what they can offer at present.

[Unidentified reporter] Will the currency be devalued?

[Lacayo] No, we are not considering this at this moment. The country's reserves are relatively normal. We have acquired an important credit with Mexico, Venezuela, and Colombia on a 180-day term, which will allow us sufficient reserves during the first months of 1993 to ensure that the 1993-1994 agricultural season can begin unhindered. We believe we need to take advantage of this upcoming agricultural season—coffee prices have improved somewhat, cotton prices are expected to really pick-up due to improved plague controls in the west, and cattle raising needs to be boosted.

[Reporter] You recently said there would be no more power cuts, but in your speech you said these would be reduced. Please clarify. The other related question is about privatization. It seems these two power plants are to be privatized?

[Lacayo] The power plants that were installed today plus existing plants have the capacity to guarantee zero rationing from now on. What happens is that at certain times of the day, I imagine, demand surpasses 1,200 kw, which is the amount one plant can generate, but not enough to warrant starting up the second plant. As the power demand continues to rise, the second plant clicks in. In other words, the power plants have a certain capacity and they are started-up according to true needs, as the power demands gradually increase. There could be times when people find themselves without power. This is an administrative matter handled by the Nicaraguan Institute of Energy here in Bluefields. What we have said is that an enterprise such as this one can perfectly well become a municipal enterprise or a joint municipal and private enterprise, by seeking its autonomy, because obviously this is an enterprise that only serves this city. This is a typical example where decentralization can do marvels and the central government is willing. However, we do want to help it to be self-sufficient, so the municipality which administers it can maintain it. At the moment it still requires a subsidy from the central government.

Economic growth is measured not only by what Central Bank economists say, but is based on social harmony. The growth estimate for 1992 is between 1 to 2 percent. This is not a lot of growth, but it is growth nonetheless, especially after eight years of economic downfall. In other words, the economic drop has stopped and we have began a modest growth, but nevertheless it is growth. The idea is greater growth for 1993.

Finance Minister on Privatization, Salary Raises

PA1811152792 Managua Radio Nicaragua Network in Spanish 1100 GMT 17 Nov 92

[Text] In a news conference on 16 November, Finance Minister Emilio Pereira denied reports by Sandinist leaders, saying they do not reveal the truth regarding the talks with the government. Pereira said there will be no pay raises next year because of the country's economic situation. He also said there cannot be any raises as long as the number of unemployed people remains high.

[Begin Pereira recording] [Words indistinct] explained in detail what the government has done regarding the privatization of 17 out of 22 corporations and 11 state-owned enterprises. These enterprises were distributed between workers and others. It was explained that three steps have to be taken for privatization, particularly when workers are involved. These steps are: 1. An agreement must be reached with the workers. If the workers also reach an understanding among themselves, the process will advance. 2. Then comes what is known as the transfer. Unfortunately, the previous government failed to register many properties in the state's name. This created great disorder in the majority of cases because, in order for something to be privatized, it must first be registered in the state's name. This registration requires a lot of legal work and is not automatic. 3. Finally, for properties to be transferred to private individuals or workers, the latter must have been organized. It might happen that an agreement has been reached, that the enterprises have already been registered in the state's name, but that the workers still have not received their charter. If this is the case, the enterprise cannot be privatized.

In 17, or 77 percent, of the 22 corporations, at least an agreement with the workers had been reached. In other words, the Sandinist leaders could just as well talk directly to their rank and file and tell them the truth [words indistinct] instead of making these kinds of statements. We must seek counsel on how the workers

can be organized and receive their charter, so the enterprises can be handed over to them. It is a little upsetting that, since the procedure is moving along in 77 percent of the corporations, the rank and file have not been notified of this progress, all the more so considering that the privatization process can be completed much earlier than anticipated.

Regarding the solution of the problem of property ownership and Law 85, 9373 cases were reported to the Office for Territorial Organization [OOT]. In addition, the office reported 1,700 cases where the people never showed up. In all, more than 11,000 cases are being handled at the OOT.

The original estimate last year indicated between 12,000 and 13,000 cases. The large number of cases reported to the OOT indicates the office has a great degree of credibility and fills a great need by the people to feel they are truly and legally owners of those properties [words indistinct]. Nevertheless, because abuses have been perpetrated against one or two of them, the rest feel insecure because they think everyone's case will examined in depth.

As the office is under the Finance Ministry, we cannot but react when a BARRICADA article entitled [words indistinct] reports a number of abuses, a list that was circulated among the Sandinists. The article was written by Reynaldo Antonio Tefel, one of the Sandinist National Liberation Front's [FSLN] most honorable members, a member of the ethics commission. I have been told he is an upright man. In this article he says that both the Sandinist Assembly [words indistinct], and the FSLN National Directorate have admitted there were abuses. But there is one hitch. I think the FSLN should have forced those who committed the abuses to return those properties instead of waiting for justice to prevail some day. This was stated by BARRICADA and by one FSLN member. Consequently, the government, which is in charge of studying this, can only react and request [words indistinct]. We would be irresponsible if we did not request it. [passage indistinct]

If the identities of those who perpetrated the abuses, let us say 1,000, are revealed, then the other 9,000 will be happy. If the majority are FSLN, this very fact would bring calm to the Sandinists, provided they assume their responsibility. But do not let them sell us the idea that this is still pending.

In the first place, when the dilemma between unemployment and salary raises is discussed, everyone supports the man who begins the discussion. Now the political parties, the Higher Council of Private Enterprise, and the FSLN National Directorate say that unemployment is Nicaragua's greatest problem. We told the FSLN very clearly that when the unemployment rate reaches 50 percent, there cannot be salary raises. I wish to emphasize this. When the unemployment rate is this high, it is because the country does not have money. There cannot be salary raises.

What can the authorities do? Either we use the money to raise the salaries of those who have jobs or we use it to create new jobs. Naturally, when we say this every one of us feels disappointed and hopeless because there will be no pay raise. Let us think, however, of all of those who do not have a job. This was said in the meeting. Even before the meeting [words indistinct] the Sandinist leaders did not assume a responsible role for the good of Nicaragua and tell the people that there cannot be salary raises. [end recording]

National Assembly President Cesar Gives Speech

PA1811161392 Managua Radio Corporacion in Spanish 0100 GMT 16 Nov 92

[Speech by National Assembly President Alfredo Cesar Aguirre in Nagarote on 15 November—recorded; broadcast in progress]

[Text] ...the honest deputies you elected continue working for the benefit of Nicaraguans, despite all the efforts made by the Executive Branch and the Sandinists to hinder our legislative work. We reiterate that we will continue without rest this permanent and daily job of approving laws that the people demand be put into effect and making the true change that was promised to them and for which we Nicaraguans voted in February 1990. [applause]

Last week the National Assembly approved the personal identity card law for citizens, which had been under discussion since June. We now have a law that will help guarantee the absence of fraud in future elections. We should begin to make preparations so that new elections are guaranteed by a personal identity document for all Nicaraguans. This document should not be falsified or easily altered and should serve to reflect truly the people's will the day they vote. [applause]

We are moving ahead to approve the new labor code to replace the code that has been in use since the days of [General Anastasio] Somoza Garcia. The Sandinists, who were in power for 12 years, were incapable of changing this labor code for the benefit of workers and Nicaraguan entrepreneurs. Now, honest National Opposition Union [UNO] deputies are rapidly moving ahead to approve the new labor code, which will give the country a legal framework and thus generate employment so that workers may have a minimum of opportunity to find a job with dignity. [crowd shouts: "Long Live the UNO!"]

We are also preparing for next week's approval of the new law that will end Humberto Ortega's permanent status as the head of the Army. [crowd cheers, applauds, shouts: "Tyrant Humberto, Your End is Near!"]

We are inspired at the simple way the Nicaraguan people say what they want, just as the poster in front of me says: We Do Not Want Generals. We Want Schools and Hospitals in Nicaragua. [applause] [crowd chants: "Long Live UNO! Long Live Engineer Alfredo Cesar!"] We are

preparing a new budget to be approved in a few weeks. This budget will make a reality what the people of Nagarote request: less military spending and more funds for this country's schools and hospitals. [applause] [crowd shouts: "Long Live the People of Nagarote!"]

We are visiting the villages and cities that we visited three years ago during the electoral campaign to tell all of you that even though one person forgot what she promised, here is the entire UNO, which has not forgotten. [applause] [crowd chants: "UNO! UNO!"]

UNO Deputies Deny Supreme Court Jurisdiction

PA1811191892 Managua Radio Corporacion in Spanish 2200 GMT 17 Nov 92

[Statement issued by National Opposition Unity, UNO, deputies to the Supreme Court of Justice on the Legislative Assembly conflict in Managua; date not given]

[Text] We the undersigned deputies, leaders of the National Opposition Unity [UNO] wing, declare the following:

We acknowledge the honorable Supreme Court of Justice's full authority over any law or decree that is contradictory to the Constitution. We categorically reconfirm the UNO parliamentary wing's obedience and respect regarding rulings and amparos handed down on these issues by such an honorable tribunal. Nevertheless, universal law and Nicaragua's Constitution does not grant the judicial branch jurisdiction or authority over the legislative branch's internal matters.

Given that the problem we are facing is strictly an internal one, it is clear the Supreme Court of Justice's ruling does not apply to this case. This case obviously comes under the competence of the representatives who safeguard the National Assembly's by-laws and regulations. Authoritative opinions issued on the matter both domestically and abroad have labelled the aforementioned conflict a political problem, indicating that it should be solved politically. We believe, therefore, that the Supreme Court of Justice's ruling on the Legislative Assembly's problem will only serve to aggravate the conflict.

We reiterate UNO's obedience to the Constitution, its respect for the judicial branch, and its solid defense of the legislative branch's independence and sovereignty, as well as our willingness to find a political solution to the Legislative Assembly's conflict.

Resistance Urges Government Comply With Treaty

PA1811162192 Managua Radio Catolico in Spanish 1100 GMT 16 Nov 92

[Report by Gerardo Sanchez]

[Text] The Association of Resistance Commandos [Asociacion de Comandos de la Resistencia] has demanded government compliance with the Tela Agreement and with the democratic government program.

Former members of the Nicaraguan Resistance organized as the Association of Resistance Commandos are demanding that the Chamorro administration comply with the Tela Agreement. So far there has been minimal compliance with this agreement. Former top resistance leaders and fighters have been killed. The association has civically urged the government to comply with the Tela Agreement, investigate the killings of former fighters, and bring the killers to trial.

The association's organizers began a natioanal meeting on 15 June in Juigalpa, Chontales. More than 60 representatives from Chontales, Boaco, Matagalpa, Managua, Masaya, and central Zelaya participated in the meeting.

The resistance commandos analyzed the national crisis and their own situation. The former anti-Sandinist fighters said the Chamorro administration is to blame for their fate during the two years that have elapsed since their demobilization.

The national board of directors of the Association of Resistance Commandos is composed of Hugo Gonzalez Urbina, treasurer; [name indistinct], national organizational chief; and Jaime Corea Cortez, youth delegate.

Douglas Hunter Leyva, president of the Association of Resistance Commandos, said that this civic movement has as its objective to support the former resistance members' efforts to rejoin Nicaraguan society. He said the association is a civilian, nonpartisan, and nonprofit organization.

Colombia Grants Medical Scholarships, Pardons Loan

PA1911032792 Managua Radio Nicaragua Network in Spanish 1100 GMT 17 Nov 92

[Text] Health Minister Ernesto Salmeron announced that Colombian universities will offer scholarships to train young Nicaraguan doctors in different medical specializations. Salmeron, who has just returned from a visit to Colombia, also announced the good news that the Colombian Government pardoned a Nicaraguan debt of $43 million, and that requirements are being fulfilled to obtain millions in stopgap loans.

[Begin Salmeron recording] We must thank the Colombian people for their gesture of solidarity with the Nicaraguan people. Out of a $47 million debt with Colombia, $43 million has been pardoned. Theirs is a third-world country with very serious problems. Colombia granted a $10 million stopgap loan to help pay our outstanding foreign debt. We are now talking about $53 million. Added to this, right now we are about to sign—both the Foreign Ministry and the Foreign Cooperation Ministry—another stopgap stabilization loan of $15 million. In addition, three very prestigious universities located in Santa Fe de Bogota, Medellin, and Cali

have opened their doors to the Health Ministry, to send young doctors who wish to train for careers that the Health Ministry requires to develop [words indistinct] strategies. This support has not been received from other countries that have even greater resources. This does not mean, however, that we are going to forget that there are friends in North America—in the United States. Last night we talked with Engineer Lacayo, his wife, and an official of the new Clinton administration. There are fresh winds in the United States.

Nordic countries are interested in continuing to give support to Nicaragua—this could be seen in the way Mrs. Chamorro was received in her recent tour of Nordic countries. In addition, we always have the presence of countries such as Japan, Canada, Mexico, and many other countries. [end recording]

* Support for Political Parties Urged

93CA0011A Managua LA PRENSA in Spanish 6 Oct 92 p 14

[Commentary by Alfonso Moncada Guillen]

[Text] Although it is always risky to speak of percentages without having the figures in hand, we will not be very far wrong if we state that about 50 percent of the citizens of Nicaragua are not affiliated with any political party. And of the party members, only a minority participate actively in politics. These figures may well be the lowest in our history, if we recall the electoral campaigns prior to 1990.

There is a certain apathy and even mistrust about the feeling of being represented, and the feeling of being a militant and sharing political responsibilities. Failure to belong to any political party has been transformed into a definition with citizenship status. It would seem that the "unaffiliated" are doing better and increasing in number. No effort is being made to seek association in order to do battle for the fate of the collective, and if one fails to do this one loses the opportunity and responsibility for a protagonistic role.

The intermediary, the transmission belt, between the political regime and society is the political parties, an article in FUNDEMOS stated recently. It referred to these pressure groups that are so necessary for the health of democratic processes, above all when a transition toward such a system from a totalitarian regime is under way. It must be remembered that political transition processes are at risk, without the contribution of pressure groups, of proceeding toward something other than democracy. This is the reason for the importance of having veritable party organizations, which are the tools by means of which the democratic ethos takes form. We are speaking of representative organizations, and not of factions or caricatures of parties, which, paradoxically, hinder the multiparty system and the development of specific democratic projects, up to a point.

Some of the arguments put forth to justify refraining from affiliation with a political party nonetheless remain valid. The truth is that the message of the current political organizations is becoming ever less clear. Their leadership has been weakened by opportunism and corruption and they have become submerged in nebulous alliances, scattered as their energies are in the search for a share of power on the basis of contradictory efforts.

It would seem that it has not been possible to draft and implement a strategy allowing the political parties to join together in ideological families in order to grow, seeking the natural political concept we have had historically, and which the totalitarianism of the Sandinists was unable to change. It would seem that we have grown away from our cultural roots when it comes to recruiting, organizing, and rallying a membership around concrete plans.

The picture is dark when it comes to well-organized political movements, so necessary for the definition of the correlation of forces working for the democratic projects. The task becomes still more difficult when the same schemes and the same procedures are used in a effort to raise the enthusiasm of a deceived people from its ashes. The efforts made to develop unity within the four political families (liberals, conservatives, social Christians, and social democrats) have failed. The task is a difficult one, but it is imperative that it be undertaken. Only strong and well-organized political parties can achieve a vigorous and active presence capable of producing important political changes and forging a path toward the conquest of power, and can be prepared to hold onto it.

* Outlook for Leftist Parties Viewed

93CA0011E Managua EL NUEVO DIARIO in Spanish 5 Oct 92 p 11

[Text] Isidro Tellez, the secretary general of the Marxist-Leninist Popular Action Movement (MAP-ML), has advocated the need to begin to attempt to unite the political forces of the left in Nicaragua in order to prevent "splintering" in the next few years prior to the general elections in 1996.

The Task Ahead

He confirmed that bringing the leftist forces in the country together "is a task which we as a party are interested in undertaking, and we have already said that we are going to democratize the discussions and try to ensure that the left wing achieves this organization and unification, so that it can deal head-on with a whole series of harmful governmental policies that have been creating havoc for the population of Nicaragua."

The MAP-ML is one of the few surviving leftist parties, followed by the Revolutionary Workers Party (PRT). They ran in the 25 February 1990 election but failed to win enough votes to obtain seats in the parliament.

A Vanishing Party

One party which has practically faded away, "since there has been nothing about it in the media," is the Movement of Revolutionary Unity (MUR). It suffered a series of "purges" in its ranks, among them that which led to the sponsorship, as a presidential candidate in the 1990 elections, of Moises Hassan, an AN deputy who has practically gone over to the group of UNO [National Union of Opposition] representatives headed at the moment by Alfredo Cesar.

In statements made to EL NUEVO DIARIO, Tellez said that in their campaign to unify the left wing in Nicaragua, these cadres who abandoned the ranks of the MUR must be included, because with democratic discussion on a high level it is possible to reach understandings and thus to ensure that the leftist organizations in Nicaragua will flourish.

More Poverty, Exploitation

"Chilo" believes that "we cannot leave this situation in the hands of the members of the bourgeoisie. We must face up to them squarely and fight. We must engage in discussion in order thus to define a series of things. And I believe that the struggle here has not ended, because the exploitation and the poverty here are continuing to grow in all sectors of Nicaraguan society."

This politician believes that these conditions of poverty into which the government policies are plunging the people "give the left wing and the revolutionaries justification for continuing to promote the revolutionary struggle. Because the response here is not an understanding with the bourgeoisie, nor compromise, because the bourgeoisie has nothing to offer but beatings, repression, and exploitation."

Other Situations

In the past two years, other political organizations have abandoned the banners of the left. This is true of the Socialist Party, while the Communist Party has experienced other situations, leading many of its cadres to abandon its ranks.

Panama

Constituent Assembly Coordinating Board Formed

PA1811221692 Panama City LA PRENSA in Spanish 16 Nov 92 p 1-A

[By Elio Rujano]

[Text] Various groups that supported the NO vote decided to form a National Constituent Assembly Coordinating Board [Coordinadora Nacional por la Constituyente] in view of the overwhelming "NO" victory.

Leaders and representatives of some of the organizations that supported the NO vote made the announcement at a news conference on 15 November.

The new group includes the Panamenist Recovery Movement (Movimiento de Recuperacion Panamenista), the Independent Lawyers Front (FRAI), the National Integration Movement (MINA), the People's Action Party (PAPO), the Doctrinaire Panamenist Party, the Popular Nationalist Party (PNP), and the Independent Democratic Union (UDI).

Hernan Garcia, president of the Arnulfist Recovery Movement [as published], said Panamanians made their decision, therefore the current administration should draft a new constitution.

Garcia believes the government has proven its "incapability and inconsistency through its actions, allowing practices and structures typical of the dictatorship to continue, and permitting even more corrupt practices to exist in the legislative, executive, and judicial branches to the detriment of democracy".

FRAI's President Carlos Jones asked the government to stop arguing that the current Constitution prohibits the convocation of a constituent assembly.

Issues Communique

PA1811150392 Panama City EL SIGLO in Spanish 17 Nov 92 p 16

[Communique issued by the National Constituent Assembly Coordinating Board in Panama City; date not given]

[Text] We who have been advising the Panamanian people to vote NO on the constitutional reforms package have decided to form a group called the "National Constituent Assembly Coordinating Board." In view of the overwhelming vote to reject the constitutional reforms, we hereby announce:

1. The majority decision by the Panamanian people to say no to the constitutional reforms —given the refusal to include a ballot with the option of a constituent assembly—has shown the whole world that this country wishes to live in democracy under a new political constitution.

2. The Panamanian people, therefore, exercising their sovereign right, demand that their government officials comply with the people's will and summon a Constituent Assembly under an impartial law. Said assembly must, within a specific period of time, present a draft political constitution to the country. The draft must then be discussed with the nation, article by article, so the people can become familiar with it and express their opinion.

3. To do otherwise would be to act against the order clearly expressed by the will of the Panamanian people. To continue governing under the current illegitimate constitution is to promote chaos, as our people have said with their NO votes that they were not consulted about the constitutional reforms and find them illegitimate, superficial, insufficient, irresponsible, and antidemocratic.

4. We realize that a large portion of the people voted against the reforms because, in addition to the above reasons, they believe the government has acted in ways contrary to what was expected of it, thereby becoming incapable and incoherent in its actions by allowing practices and structures exclusive to the dictatorship to continue and by creating new forms of corruption in the legislative, executive, and judicial branches that are harmful to democracy.

PPD Calls for Constituent Assembly

PA1811235792 Panama City CRITICA LIBRE in Spanish 17 Nov 92 p 16

["Proposal" by the Doctrinaire Panamenist Party issued on 16 November in Panama City]

[Text] Since its founding, the Doctrinaire Panamenist Party [PPD] has maintained the view that to organize our legal, economic, and institutional regime it is necessary to call a national constituent assembly with the participation of the nation as whole, because the Constitution that was revived after 20 December 1989 is the product of the dictatorship, despite the cosmetic changes made in 1983. We predicted in various media that, being illegitimate, this instrument that the government wanted to impose on us would not be approved. As everyone knows, it responds solely to the political interests and ambitions of the parties and individuals that are sharing in the government in one way or another. For this reason, we propose the following plan to the country to serve as the bases for calling a constituent assembly that would bestow legitimacy on this government, as well as those that will rule the destiny of the nation in the future.

a) The ill-named 1972 Constitution must be formally repealed. The reason for this measure hardly needs explanation. In addition to its lack of legitimacy, its structure, more appropriate of a totalitarian regime, makes its repeal an imperative. This is the first step toward returning to a true democracy.

b) The implementation of the Constitution of 1946, Chapters I to IV and VII to XI.

On different occasions we have noted that of all the constitutions the country has had, the one written in 1946 contains the largest number of properties inherent to constitutions. Moreover, we need a legal instrument that guarantees the rights of every citizen are duly protected and the authorities of the country are governed by a legal system they must obey.

c) The appointment of a commission of five legal experts to draft the bill for a constitution, which should be ready by 28 February 1993. In addition to considering the progress achieved on constitutional matters around the world in general and our own needs in particular, this commission must submit said bill with the concurrence and recommendations of all organized groups and public and private entities that make up our nation.

d) The election of a national constituent assembly within a three month period, starting no later than 1 March 1993. Said assembly must comprise two national deputies from each political party legally recognized by the Electoral Tribunal. In addition, each province will have the right to elect one member to the constituent assembly for every 100,000 residents. The provinces that do not have 100,000 residents will have the right to one assembly member. The same applies for the San Blas Reservation. Those provinces with over 100,000 residents and not quite enough to qualify for another deputy, will be entitled to have this additional deputy if the residual figure exceeds 50,000.

Legally registered political parties may name candidates for the assembly. Independent candidates who collect 5,000 signatures of support and file their petition within the term stipulated by the corresponding decree may also run.

e) The national constituent assembly will be installed on 1 June 1993 and should approve the new constitution within a period of six months. It must call elections to elect a new government in April 1994, and dissolve itself as established by the corresponding decree.

f) Until the new legislative assembly is elected, the Executive Branch will legislate through cabinet decrees that must be approved by the majority of the members of the Cabinet Council.

The PPD considers this the formula to legitimize the government and forge a future based on the interests of the nation and not on partisan or class interests. The people are sovereign. To depict our proposal as outside the legal framework would amount to committing the same mistake made on 20 December 1989. There will not be a third chance.
[Dated] 16 November 1992, Panama
[Signed] PPD President Jose Salvador Munoz

Businessmen To Appeal at ICJ Over Invasion Losses

PA1811215292 Panama City EL PANAMA AMERICA in Spanish 17 Nov 92 p 8c

[Report by Eduardo Soto P.]

[Text] Panamanian merchants, who suffered several million dollars worth of losses during the looting that ensued after the 1989 U.S. invasion, will appeal their case before the International Court of Justice [ICJ] in The Hague. They request the body oblige the U.S. Government to pay for the damages caused by the invasion.

Early in November the U.S. Supreme Court refused to review the case, which had already been studied by an appeals court in Richmond, Virginia.

Chamber of Commerce President Guillermo Fernandez told EL PANAMA AMERICA that studies are under

way to present the case at The Hague. The ICJ would be the last resort of the Panamanian businessmen who suffered severe losses during the invasion.

The 40 merchants, who pressed charges in the U.S. courts, have specified that the invading troops did not comply with their obligation to guard the country's property.

Fernandez said: "We have been fighting this for a long time and the Supreme Court just refused to hear us."

The Chamber of Commerce president revealed they are studying cases that occurred as the result of other invasions, especially during World War II, where the courts ruled in favor of the invaded country.

The National Council of Private Enterprise determined that the losses caused by the looting that followed the invasion could amount to $432.1 million.

In this military action, the United States is regarded as an invading power for the purposes of the The Hague Convention on Ground War Laws and Customs. As a result of this, it was the U.S. forces' duty to restore law and order on Panamanian territory, which this Army effectively controlled.

Colombia

New Army Commander on Goals, Recent Operation

PA1811202392 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1630 GMT 18 Nov 92

[Interview with Army Commander Major General Hernan Jose Guzman by reporter Marcela Duran at the Jose Maria Cordoba Military School for Cadets—live]

[Text] [Duran] We are at the Jose Maria Cordoba Military School for Cadets. The change of command ceremony for the top military posts will start in a few minutes. We will now interview Major General Hernan Jose Guzman, the new Army commander. You are assuming command at a very difficult time for the country. What orders will you give your men?

[Guzman] We will comply with the guidelines established by the president of the Republic, defense minister, and our general commander. We have a very professional and well trained Army, a very dedicated Army that is willing to work hard. I trust our offensive capability will be maintained and improved to ensure I will successfully fulfill the mission entrusted in me by the national government.

[Duran] Over the weekend, the Army carried out a very fierce attack in which the guerrillas sustained more than 40 casualties. In what sectors will you concentrate your actions?

[Guzman] As you know, we are working all over the country. That was not a short, strong attack or an attack lasting a specific period of time. This is actually the continuation of previous operations, the result of a joint effort. It is also the result of the moral support given to the Army by citizens and various organizations.

[Duran] Will Mobile Unit No. 16 be established in Casanare?

[Guzman] We are currently working to establish the new units ordered by the government with the purpose of stepping up our work.

[Duran] There were bombings in Putumayo. Will this kind of action be repeated in other areas?

[Guzman] Do not call them bombings. They are actions in support of operations that are under way. We will repeat them in other places whenever warranted within the framework of very clear and defined criteria.

[Duran] Thank you, Maj. Gen. Guzman. President Gaviria is expected to arrive here to start the change of command ceremony.

Gaviria Decrees Published in 11 Nov EL NUEVO SIGLO

Decree 1810 on Judicial Police Functions

PA1811202792 Santa Fe de Bogota EL NUEVO SIGLO in Spanish 11 Nov 92 p 14A

[Decree No. 1810 issued by President Cesar Gaviria in Santa Fe de Bogota on 9 November]

[Text] Decree 1810,

By which Judicial Police functions are granted to the Military Forces:

The president of the Republic of Colombia, by virtue of the powers granted by Article 213 of the Constitution, in implementation of what is established by Decree 1793 of 1992, and

Whereas:

Through Decree 1793 of 8 November 1992 a state of internal disturbance was declared throughout the nation based upon, among other things, the following considerations:

In recent weeks the country's public order situation, which had been unsettled for some time, has deteriorated significantly due to terrorist actions by guerrilla organizations and organized crime.

These criminals have been able to obstruct and evade justice in view of the fact that the courts are unable to turn to the Military Forces for support as an organ of the Judicial Police to gather the necessary evidence.

Judicial institutions must be strengthened in their functions of investigating, charging, and prosecuting offenders and in protecting judicial and oversight agency officials as well as witnesses. The Military Forces must be allowed to develop Judicial Police functions and halt behavior that contributes to the success of organized crime operations.

The success of an investigation depends on the preservation and securing of evidence, which can only be achieved with the immediate intervention of officials with jurisdiction to carry out procedures that will permit investigations to be opened by judicial authorities.

Due to the armed confrontations in various places throughout the national territory, it is impossible to maintain the general presence of Judicial Police officials.

For the aforementioned reasons, it is essential that the Military Forces be granted Judicial Police powers under the direction of the National Prosecutor General's Office so in locations where there are no agents of the Prosecutor General's Office or officials who according to the Constitution and the laws can exercise Judicial Police functions, the Military Forces can carry out such functions aimed solely at preserving evidence. The power to decide upon the opening of investigations and to make

decisions within the purview of judicial officials will be witheld from the Military Forces..

For the same reasons, the Military Forces must be given the opportunity to carry out missions ordered by judicial authorities for proceedings to be initiated in the same cases that the Penal Procedures Code has established for the Judicial Police.

In accordance with what is established in Article 189, Point 4 of the Constitution, the president of the Republic is responsible for the maintenance of public order throughout the national territory and for restoring it wherever it has been disrupted.

In accordance with Article 213 of the Constitution, the president of the Republic has the powers strictly necessary to eliminate the causes of the disturbance and prevent its effects from spreading.

Decrees:

Article 1: Under the direction, coordination, and dependence of the national prosecutor general, units will be formed in the Military Forces to exercise Judicial Police functions, in implementation of what is established by Point 4 of Article 251 of the Constitution, regarding punishable actions under the jurisdiction of regional judges in the event that Judicial Police authorities are not available at the site of the actions.

Article 2: The special units created by the previous article can only carry out the procedures established by the Penal Procedure Code for the Judicial Police.

Article 3: The special units will report their actions to the appropriate units of the Prosecutor General's Office as soon as possible.

Article 4: The units of the Military Forces to which this decree refers can be commissioned to carry out procedures as special authorities of the Judicial Police in accordance with what is established in the Penal Procedure Code.

Article 5: This decree is in force upon its promulgation. It suspends the provisions that are counter to it and will remain in force during the period of the state of internal disturbance without precluding the possibility that the national government may extend it in accordance with what is established in Point 3 of Article 213 of the Constitution.

Be It Published And Executed.

Decree 1811 on Suspension of Officials

PA1811200392 Santa Fe de Bogota EL NUEVO SIGLO in Spanish 11 Nov 92 pp 14A, 15A

[Decree No. 1811 on the suspension of governors and mayors who cooperate with guerrillas, issued by President Cesar Gaviria in Santa Fe de Bogota on 9 November]

[Text] Decree No. 1811,

Whereby norms to implement public order guidelines issued by the president of the Republic are issued.

The president of the Republic of Colombia, by the power vested in him by Article 213 of the Political Constitution, in keeping with Decree 1793 of 1992 and,

Whereas:

Through Decree 1793 of 8 November, 1992, the state of internal disturbance was declared.

In keeping with the objective of this decree, guerrilla groups are exercising pressure on some regional officials to force them to make direct contact or to reach understandings with them, thereby going against the presidential policy of preserving and restoring public order.

As a result of the above, it is necessary to issue disciplinary norms to insure compliance with the orders issued by the president of the Republic on the part of governors and mayors.

In keeping with Articles 296 and 303 of the Political Constitution and Article 6 and following articles of Law 4 of 1991, governors and mayors are forced to observe and implement immediately and without delay the public order guidelines issued by the president of the Republic.

This situation cannot be solved through the implementation of ordinary norms.

Decrees:

Article 1. Without affecting the criminal sanctions that may be in order, governors and mayors who incur the special offenses established in Article 14 of Law 4 of 1991 will be suspended from their posts for up to 60 calendar days or will be dismissed from their posts altogether, in accordance with the seriousness of the offense.

Article 2. The suspension or dismissal will be ordered, at the request of the Attorney General's Office, by the president of the Republic if they involve governors or district mayors, and by governors if they deal with municipal mayors in their corresponding departments.

Article 3. The president of the Republic shall be able to temporarily suspend governors and mayors at the request of the government or the Attorney General's Office while the corresponding investigation is under way.

The temporary suspension could be decreed from the moment the corresponding complaint is filed and for a period of up to 30 calendar days.

After decreeing the temporary suspension, the president of the Republic will replace the outgoing official with a government official or an individual of the same political affiliation.

Article 4. When a suspension is ordered within the framework of this decree, the president and governors shall be able to appoint as governors or mayors individuals of the same political affiliation as that of the incumbent.

Article 5: In the event governors or mayors are dismissed, the president or the governor—as the case may be—will call for new elections in the following months, provided half of the incumbent's term has not expired and public order conditions allow it. Meanwhile, the president and the governors—as the case may—will be able to trust the governors or mayors in the manner stipulated in Article 4 of this decree.

When, according to the provisions of the previous paragraph, it is not feasible to call elections, the procedure mentioned in Article 4 will be implemented for the rest of the term.

Article 6: The governors are obligated to comply with the suspension or the dismissal as requested by the Attorney General's Office within two days following the receipt of the request. Otherwise, the governor will incur a citation for bad conduct, which will be investigated and punished according to this decree.

If the governor does not comply with the suspension or dismissal requested in the term stipulated, the president of the Republic will then issue a decree to this effect.

Article 7: Investigations on the violations to which this decree refers will be conducted by the officials appointed by the Attorney General's Office, using the procedure established in Law 25 of 1974 and in Decree 3404 of 1983. The terms mentioned in those measures will be reduced by half.

Article 8: This decree will be applied without affecting the powers granted to the Attorney General's Office by Article 278, paragraph 10, of the Political Constitution, which he will carry out according to the provisions of the Contentious Administrative Code [Codigo Contencioso Administrativo].

Article 9. The provisional suspension, the suspension, or the dismissal of a governor or a mayor can be appealed for reinstatement.

Article 10. This decree will be in effect as of the date it is issued. It suspends the measures that are contrary to it and it will be implemented throughout the duration of the state of internal disturbance, regardless of whether the national government extends it, according to paragraph 3 of Article 213 of the Political Constitution. Be it published and executed. Issued in Santa Fe de Bogota on 9 November 1992

Decree 1812 on Media Control

PA1911033292 Santa Fe de Bogota EL NUEVO SIGLO in Spanish 11 Nov 92 pp 14a, 15a

[Decree No. 1812 on measures dealing with the media, issued by President Cesar Gaviria in Santa Fe de Bogota on 9 November]

[Text] Decree 1812,

Through which measures are taken with regard to information and other provisions are dictated

The president of the Republic of Colombia, by virtue of the power vested in him in Article 213 of the Constitution and to implement Decree 1793 of 1992, and

Whereas:

Decree 1793 of 8 November 1992, declared the state of internal disturbance in all the national territory.

Among the reasons to declare the state of internal disturbance was the fact that "the public order situation in the country, which has been strained for some time, has worsened considerably in the past weeks due to terrorist actions carried out by guerrilla and organized criminal organizations."

One of the main reasons to adopt the aforementioned measure is that guerrilla groups and drug trafficking organizations have taken advantage of several media sources to obstruct the authorities' actions, to defend violence by justifying criminal actions, and to create confusion and anxiety in the population.

It is a fact that guerrilla groups, drug traffickers, and terrorist organizations have been using, in one way or another, several radio stations and television programs to broadcast information that disrupts public order and the citizens' tranquility.

The preamble of the Constitution stipulates that one of the goals of the State is to "strengthen the unity of the Nation and to ensure that its citizens enjoy life, peaceful coexistence, work, justice, equality, education, liberty, and peace...."

To expand the aforementioned goal, paragraph 2 of Article 2 of the Constitution specifies that peremptorily "the authorities of the Republic have been appointed to protect all the people who live in Colombia, their lives, honor, properties, beliefs, and other rights and freedoms, and to ensure fulfillment of the social duties of the State and private individuals."

In addition, the Constitution's Article 22 guarantees peace as a right and a duty of mandatory compliance.

It is true that Article 20 of the Constitution guarantees freedom of information to every person, but it is also true that the same norm establishes that mass media sources will have social responsibilities.

The State's main duty, at all times, is to ensure the effectiveness of the principles, rights, and duties consecrated in the Constitution: to defend national independence, maintain territorial integrity, and ensure peaceful coexistence and the validity of a just order. It is, however, of compelling importance to highlight that we must comply with this duty under circumstances of serious public order disturbances, such as the current one, where the armed actions of guerrillas and common criminals attack mainly and indiscriminately citizens' lives, honor, and properties.

Whereas, on the other hand, the law that currently regulates the use of media facilities and the distribution of telecommunications services stipulates that said services will be used "responsibly in order to contribute to the defense of democracy, to promote the participation of all Colombians in the everyday life of the nation, and to ensure human dignity as well as other fundamental rights recognized by the Constitution to ensure peaceful coexistence."

Whereas, in accordance with the before mentioned norm, Article 2 of Law Decree 14 of 1991 specifies that the purpose of television services is to inform and entertain, thereby contributing to the integral development of the people and the strengthening of democracy, social cohesion, internal and external peace, and international cooperation.

Decrees:

Article 1: To prohibit the total or partial transmission, regardless of whether it is by means of radio transmission or television broadcasting, of all communications that may be attributed to or originate from guerrilla groups, as well as other criminal organizations linked to drug trafficking and terrorism. The media is hereunder only allowed to report on this issue.

Article 2: It is prohibited to identify any person who may have been witness to terrorist acts, specified as such by the law, or conduct associated with rebellion, sedition, uprising, kidnapping, extortion, or drug trafficking. Neither will it be allowed to identify persons who may provide evidence related to the before mentioned criminal behavior.

It is understood that to identify means reporting the name of the person, transmitting the voice, revealing the image, as well as publishing information that may unknowingly lead to identifying said person.

Article 3: Interviews with active members of guerrilla groups, terrorist organizations, or drug trafficking related organizations will not be transmitted over radio or television.

Article 4: Live broadcasts by radio and television of terrorist, subversive, or drug trafficking events is hereby prohibited.

Article 5: In case the dispositions established in this decree are violated, the Communications Ministry is hereby empowered to suspend the use, assume control of broadcasting frequencies or channels, as well as the television spaces used by private individuals, for a period of up to six months. The Communications Ministry will exercise this power by means of a resolution.

Article 6: The Communications Ministry is hereby empowered to impose fines of up to 1,000 times the monthly minimum wage [1,000 salarios minimos mensuales] to those media representatives that violate what has been established in this decree.

Article 7: The communications minister will impose fines and suspend the use of the media involved according to the following procedure:

a) Once the alleged violation has been confirmed, the minister will make the corresponding charges to the accused media, in a memorandum that will be sent, by certified mail or any other written, suitable, and effective means, to the media's most recently known address.

b) The media will have 72 hours to submit the corresponding plea for its defense and present the pertinent evidence. This deadline will be initiated when the above mentioned accusation is received. For this purpose, it will be assumed, unless proof to the contrary is presented, that the date the charges were received is either the same date the note was mailed in Santa Fe de Bogota or the third day after this date, if the media is located outside Santa Fe de Bogota.

c) Once the defense plea is filed or once the above mentioned deadline has ended, the minister may issue a resolution deciding on suspension, against which a reinstatement petition can be filed. This petition should be filed within three working days counting from the date of the notification.

Article 8: The frequency or frequencies previously allocated to the media can be recovered by the ministry only if the media incurs a new violation after being penalized with a suspension or a fine. In this instance, the deadlines stipulated in the preceding article will be tripled and the suspension will apply.

Article 9: The disputing actions against the resolutions referred to in the preceding articles will be the responsibility of the Council of State. In case a request for the provisional suspension of the resolutions is filed, the Council of State has 10 days in which to announce a corresponding ruling.

Article 10: This decree, which comes into effect on the date of its publication, supersedes any decisions to the contrary and remains in effect during the state of internal disturbance without detriment to the government's decision to extend the decree's duration, according to Paragraph 3 of Article 213 of the Constitution.

Peru

Fujimori Exonerates 2 Formerly Accused Generals

PA1911015292 Lima Global de Television Network in Spanish 0100 GMT 19 Nov 92

[Text] President Alberto Fujimori has exonerated General Luis Palomino Rodriguez, who had originally been accused of participating in the 13 November abortive coup. It was learned that Gen. Palomino was not involved in the 13 November coup attempt. The president told the media that Gen. Jose Valdivia Duenas was also proven innocent and will be reinstated to his post. Here is the president:

[Begin recording] [Fujimori] Gen. Valdivia has not been implicated in the coup. Of course, in the beginning doubt was raised because he failed to attend our meeting. He is returning to his post as chief of the Armed Forces General Staff.

For the time being, it seems Gen. Palomino, who was initially also implicated in the 13 November coup attempt, had no direct responsibility. He is undergoing, however, a judicial proceeding in the military courts. The executive branch has no authority to intervene in this matter, but it is my opinion he will be acquitted of the judicial charges. We have to be fair and objective in this matter.

[Unidentified reporter] What about Vera Gutierrez?

[Fujimori] In the case of Vera Gutierrez—and I say this as a fact; I am not making a charge or an accusation—it has been confirmed the armored vehicle that was driven by Gen. Salinas belongs to Mr. Vera Gutierrez. The property, the La Chira residence in Miraflores, also belongs to Gutierrez. As a scoop, and this is also a fact, it was Mr. Gutierrez who provided nine cellular phones to the various officers who were involved in the attempt—nine cellular phones and six walkie-talkies. I do not wish to make any accusation or any charges. I am simply stating the result of the investigations.

[Reporter] What is the status of the investigations, and when will the generals being held in Lima be released?

[Fujimori] I have spoken only of Gen. Valdivia and Gen. Palomino. The other generals were directly involved in the attack and the investigations will continue under military jurisdiction.

[Reporter] Mr. President, we are approximately four days away from the 22 November elections. In the past few days, a wave of violence has been unleashed in Lima. Have all possible protective measures been taken?

[Fujimori] Well, they have been and are being taken. The government, the Armed Forces, and the National Police are taking all possible maximum security measures. In some cases, we cannot prevent these criminal attacks, but we will confront them in the most effective way possible. In any case, the 22 November elections are completely guaranteed. The citizens will give a civic response to these terrorist groups by participating in the elections. [end recording]

Fujimori Interviewed on Coup Attempt

PA1611215892 Lima Panamericana Television Network in Spanish 0259 GMT 16 Nov 92

[Interview with President Alberto Fujimori by anchor Dennis Vargas Marin, "Panorama" program director Patricio Ricketts de Castro, and EXPRESO chief editor Jaime de Althaus, at the Panamericana studios in Lima—live]

[Excerpts] [Vargas] Folks, the case of the foiled coup attempt on the president's life has practically become a classic and will have to be translated into other languages. Here with us once again is the president of the Republic. How are you, Mr. President? Welcome to Panorama.

[Fujimori] Very well, good evening.

[Vargas] Panorama program director Patricio Ricketts de Castro and EXPRESO chief editor Jaime de Althaus are also participating in this panel. We are going to continue discussing not the investigation—because that is the duty of the appropriate authorities—but the information pertaining to the case. Patricio will ask the first question.

[Ricketts] Mr. President, first things first. Congratulations for emerging from this problem well. My question is very simple: What is the progress of the investigations since the revelations disclosed on 14 November?

[Fujimori] Just now can we disclose some details about the investigation based on testimonies being given by those implicated in the attempt. I would like to draw a graph, because this is all very complex. I am going to do it in the shortest and most succinct manner possible.

The officer who received the order to murder me is Major Hugo Ormeno Huapaya. That information was already known. He was supposed to come out with 25 men from the 18th Armored Division located in Fort Rimac. He was supposed to come in and murder me. To do that, it was established that more reinforcements were needed. Then the command of 40 men from the Special Forces Division, Dife, was going to be given to Commander Moreno Alcantara to seize the Government Palace in support of Maj. Ormeno. In addition, 35 men from the Dife were going to be placed under the command of Maj. (Caceres Aro) to secure the mission. Those men were to be standing by.

Summarizing, the plan went like this: Maj. Hugo Ormeno Huapaya enters the Government Palace. Forty men under the command of Cdr. Moreno Alcantara surround and seize the Palace. There is a reserve of 35 additional men under the command of Maj. (Caceres). Additionally, Maj. (Caceres) had a rifle with a telescopic

sight that was given to him by General Salinas. These details were revealed by Gen. Salinas himself.

Who coordinated this operation? Lieutenant Colonel Marco Zarate Rota, an active duty officer, coordinated the whole operation. Only one week ago he was commander of Battalion 61 of the Dife. To make the picture a little clearer, the second military region includes Fort Rimac and the Dife, among others. These are the two most powerful Army units.

Cdr. Marco Zarate Rota was dismissed from the command of Engineering Battalion No. 61 one week ago. He did not have control over that unit because he was implicated in narcotics trafficking activities. In the face of that limitation, another plan had been devised. Gen. Salinas and the other generals made contact with Colonel Jaime Gutierrez Tovar, an active duty officer, a long time ago.

[Vargas] Can I interrupt you at this point?

[Fujimori] Go right ahead.

[Vargas] If Lt. Col. Marco Zarate Rota was involved in some drug trafficking affairs, we suppose he must have been at least arrested? Why was he free to act?

[Fujimori] That is a good question. He was separated from his command and had no reason to be in the Dife. But this gentleman showed up in the evening at the Dife because everything had been very well planned. Col. Jaime Gutierrez Tovar, the second highest ranking officer at the Dife after Gen. (Perez Documet), planned to reinstate Cdr. Zarate Rota at the head of Battalion No. 61. Once that had been done, he could have all those men and Col. Jaime Gutierrez Tovar would assume control of the Dife.

[Vargas] Mr. President, that is something that would have happened at what time?

[Fujimori] At approximately 0130.

[Vargas] Did it take place?

[Fujimori] It did not happen because when we received the information, Gen. (Perez Documet) arrived and took the necessary precautions. He was surprised to see Cdr. Zarate Rota there and asked him what he was doing there. From that point on, all of these facts were figured out.

Consequently, we foiled the plans from the beginning, and the 40 men under Cdr. Moreno Alcantara never went out. He was supposed to take his 40 men in three trucks on the expressway. At a given time, they would pretend that the trucks broke down, because the idea was that an Army operation would be conducted that morning. In order not to raise suspicion, they would abort that mission on the expressway and move the troops into other vehicles to seize the Government Palace. In other words, they would go out under the pretext of conducting an operation. That was the mission that Maj. Ormeno had to fulfill, supported by each of the aforementioned officers. That explains why retired generals can mastermind an attack, which in the end would turn out to be a coup d'etat.

[Ricketts] How many officers are under arrest?

[Fujimori] There are approximately 25, yes 25. Practically all of them were arrested the same day.

[Vargas] Mr. President, have the respective trial proceedings been initiated, not only the investigation, but the trial per se?

[Fujimori] Yes, the military arraignment has been initiated. The officers are being accused of rebellion. The case is in the hands of the Supreme Council of Military Justice. If you will permit me, I have another interesting bit of information. We see that they were going to distribute the command, the leadership of the Armed Forces.

[Ricketts] Was this going to be afterwards?

[Fujimori] After the assassination and after the capture of Gen. Nicolas Hermoza De Bari, retired Gen. Palomino Rodriguez would assume the Defense Ministry. Supposedly these three generals returned to active service through a supreme resolution....

[Ricketts, interrupting] Issued by a de facto president?

[Fujimori] Yes, a de facto president, by a super de facto president.

[Ricketts] By a president de facto to the fourth degree [laughs].

[Fujimori] Gen. Salinas Sedo would assume the Army command replacing Nicolas Hermoza. Gen. Pastor Vives would assume the Army General Staff, replacing Gen. Valdivia. Gen. Manuel Obando, active general, would assume the general command of the 18th Armored Division, which is in Fort Rimac where the tanks are. Col. Montero Mendes, who is on active service, would temporarily assume the post of general commander of the special forces, replacing Gen. Perez. You can see the whole picture at a glance. There was a defense minister, there was an army commander, and so on.

[Ricketts] So much has been said about these military matters that I imagine there has also been mention of collateral, political topics, and so on. What do you know of this?

[Fujimori] Thus far we have obtained testimony at the mid-level commands of lieutenants to lieutenant colonels. Obviously at those levels there was no knowledge of the political motives or details of the posts. We are trying to get to that.

[Ricketts] Who was going to be president, who was going to be defense minister?

[Fujimori] That is the big question. There was a already a defense minister. But you may note that none of them was going to be the president. Obviously a president was going to be appointed above them. You can speculate about who it was going to be. I will leave it to your imagination.

[Ricketts] Mr. San Roman?

[Fujimori] I do not want to give an affirmative response, but within this chronology, which began on the morning of 13 November at approximately 0330 with the capture of General Hermoza, there followed a sequence, one step of which was to call the political parties to a meeting. It was also planned to take over all the media and to air a message to the nation, followed by a campaign of denouncements to discredit my government for various reasons. It was very well planned.

[De Althaus] Mr. President, if everything was well prepared, there must be documents. Surely there must be a manifesto. It seems to me you mentioned there was a manifesto.

[Fujimori] Yes, there is a manifesto.

[De Althaus] There must be a written plan. It would be very important to disclose that document to the public, something to find out its political orientation or context, or the much talked about black hand. It would be important to know what their subsequent plans were. If the plans were—as we have been informed—to put Maximo San Roman at the head of the government and then return—as you said—to the situation that existed on 4 April, which means restoring the Congress, then having the Congress dissolve itself and summoning general elections, those are clearly the plans of forces that are not running for the Democratic Constituent Congress [CCD]. We would have a very clear lead. If the plan was different—meaning postponing the CCD elections for one year, as you also said yesterday—it does not fit in with the other theory.

[Fujimori] That was put in writing.

[De Althaus] It does not fit in with the other theory, with the theory that those political forces could be involved. That has never been a plan of the political forces, as they do not believe in the CCD or postponing it. They do not believe in it; they believe in the other plan. What is the truth? Why have these documents not been revealed? Why is no proof disclosed.

[Fujimori] The plan to postpone the elections for one year is in writing. That does not mean the elections for the CCD would be held. Nobody can guarantee it. The plan probably called for the installation of a president with his council of ministers and perhaps the reopening of Congress. I have not seen the document on this matter, but I think sufficient information has been given regarding the coup attempt. In cases of this kind, further details are not provided. I sometimes think we have provided too many details considering the inquiry is not over. The information will have to be provided at the right time. The Joint Command must issue a communique recapping all these developments and the information that can be disclosed to the people.

[De Althaus] The people are very interested because, frankly speaking, we have an attempt to murder the president at a time when we are making headway against subversion, defeating inflation, and restoring democracy with the CCD. The people are very interested not only in learning about the coup but in punishing those involved as we know the proof is unequivocal. Having a military trial leads us to think it will be closed to the people. We are concerned about that because if we do not see the documents and the trial is closed, we will begin to think....[pauses] We really do not understand why these documents are not disclosed.

[Fujimori] Under other circumstances, nobody would propose that the details be disclosed. I think this case is unique because all the information with names was provided ahead of time. I draw two conclusions and rule out the insinuations made. First, political spokesmen asked how a handful of men—retired generals, mind you—could carry out this attack. That has been totally ruled out. They also asked how, if there were no officers on active duty, they could organize a coup d'etat.

Well, the two doubts have been completely clarified. Regarding the other details, the joint command must decide whether it is going to make them known in due time. I think the elements being handled by the Supreme Military Justice Council are those that fall within its purview and which it does not need to make known at this time. The important thing that the public must know now is that there was an assassination attempt, an attempt to return to the time before 4 April.

[Vargas] Mr. President, I am not very clear on this, I would like to insist on the matter brought up by Jaime de Althaus. Is there not one single proof? We are involved in the information business, and you know that in the information business one can even write a novel. Could you at least show us one proof? There must be at least one document they have signed. There must be some signature implicating those who tried to stage this coup and commit this assassination.

[Fujimori] The most conclusive proof will be shown when in due time we release the statements written by each of those implicated. I have the statements, but I do not think it would be advisable to release them until the investigations have been completed.

[Ricketts] They have confessed?

[Fujimori] They have confessed. We have the statements of between 15 to 18 officers up to the rank of colonel. All of them coincide. For example, we no longer have any doubt that Gen. Pastor Vives was at the three meetings. There is no doubt. Why does Gen. Pastor Vives conceal the fact that he was at the meetings? Why does he conceal the fact that Gen. Salinas Sedo was in Lima? He is

currently imprisoned. In addition, other elements have been found such as weapons and cellular telephones expressly bought for this purpose.

[Ricketts] Nevertheless, it is important that you clarify this situation. Up to now, you have been giving us detailed explanations of a plot—which from the beginning has been described as crazy—by a relatively small group of 25 officers of various ranks. It is basically a military action, a military adventure. Now then, there cannot be such an adventure without political ramifications. The citizens are asking whether there was a political conspiracy in this or whether it was simply a military adventure. This is really important to calm the people because they are two completely different situations. Either there was a big conspiracy or it was simply a crazy adventure by 25 military officers. I think that is what should be clarified. The public would like to hear something about it.

[Fujimori] I am going to give you my opinion. It is an opinion because we do not yet have a document, statement, or confession that behind this military conspiracy there was contact with the political parties. I honestly do not think that this entire adventure, this entire conspiracy, is just an adventure to assassinate the president and capture and change the command. There are obviously some political interests behind this. This is in addition to the personal interests. For example, we know that Gen. Salinas Sedo, because of his ambitious nature, has sought to assume command. By the way, I can already state that this is not his first attempt. On 29 July 1990, one day after I took office, he also plotted so that I would not remain in office.

[Ricketts] That is a revelation.

[Fujimori] Please do not ask me for more details on that. [passage omitted]

[De Althaus] Mr. President, I think it has been demonstrated that these conspirators could indeed have reached the Palace and kill you. They would have been able to achieve their objective.

[Fujimori] There is no longer any doubt of that.

[De Althaus] They would have been able to do this?

[Fujimori] They would also have been able to take over the 18th Division and the Dife. Of course, that was their intention, but it was difficult because the Army Command and the officers are very united.

[De Althaus] That is why I wonder: If Gen. Salinas is known as a serious, very professional general....

[Fujimori, interrupting] A coupist.

[De Althaus] A coupist?

[Fujimori] Yes.

[De Althaus] But then, how could an intelligent, professional, person, albeit a coupist....[pauses] Let us suppose he had attained his objective and reached the Palace, obviously the Armed Forces, which are united and are committed to a certain project, would not have let him stay. Obviously, they would have removed him. It was obviously an unfeasible move, unless he had much greater contact with the Armed Forces. Gen. Valdivia's theory would apply in this case, but it seems Gen. Valdivia was not involved. Then, how could this plan succeed?

[Fujimori] Well, actually, it was a crazy plan. In fact, one of the officers said: This is madness. The officer talked with Maj. Ormeno and said: This is madness, because President Fujimori has the people's support. He said: No, this is not possible. That officer knew nothing until he was summoned at 0100 and he decided not to participate, whereupon he sought an alibi. It was madness because the Armed Forces would not support this, but it had ramifications within the political rearguard. Therefore, some of the steps could have been taken. As for the assassination of President Fujimori, the question is, who would become president of the Republic? Some names were circulated. In any case, there would have been a change in the country's leadership. That might also have been one of the objectives, hence the elimination of the president.

[De Althaus] Has there been a pronouncement by any Armed Forces institution?

[Fujimori] On that subject, no, because investigations have to be completed, but as you know, all of the military regions have issued declarations of support for the president of the Republic and the president of the Joint Command.

[Vargas] Have you had a chance to visit Gen. Valdivia? You said he was not involved, that he is deserving of your trust.

[Fujimori] He is no longer under surveillance. He is free of surveillance, as is Gen. (Bloc).

[De Althaus] Does this mean they will be reinstated to their posts?

[Fujimori] Yes. Their status is normal; it is simply a matter of awaiting certain declarations.

[Vargas] Mr. President, you have been very kind, and we are especially grateful to you for coming to our studio to talk about these very current events. Thank you very much.

[Fujimori] Thank you for this invitation and good night.

Politicians Comment on Coup Attempt

PA1811215592 Lima Global de Television Network in Spanish 0100 GMT 17 Nov 92

[Text] Several politicians have voiced their stands on the details and projections of last week's coup attempt.

Manuel Moreira, Enrique Bernales, and Lourdes Flores made the following comments:

[Begin recording] [Bernales] I think there is some evidence of a plot, but it was never carried out. I think the issue has been exaggerated. There was an attempt at sensationalism and sympathy. If that is the case, I think it is bad.

[Unidentified reporter] What do you think about these so-called plotters being turned over to military courts?

[Bernales] Obviously it will be up to the military courts to determine responsibility, but I repeat, testimony is not enough in Peru. Evidence is what confirms a crime.

[Flores] I do not rule out that there might be some sort of movement within the Armed Forces stemming from the institutional discontent. The Armed Forces as an institution have been ignored, and the president of the Republic has taken over certain powers, something he should not have done. That is the reason for the discontent.

We have decided that the country's solution lies in the elections. I think the other elements that have been used are hard to believe; for example, the foiled assassination. It is bad that these actions have been set up seven days before the elections to confuse voters even more.

[Moreira] I heard three weeks ago that there would be a extensive intelligence operation one week before the elections so Fujimori would win. It is public knowledge that Fujimori was starting to show weakness at that time. I think we are in the midst of that operation. [end recording]

Attack Near OAS Observers' Hotel, Others Noted

PA1911032292 Lima Global de Television Network in Spanish 0100 GMT 19 Nov 92

[Excerpts] No less than 10 terrorist attacks took place on 17 and 18 November in different parts of the capital, leaving two dead and approximately 50 injured. The most serious attack of the past few hours took place this morning in Surco, when a car bomb exploded in front of the Chacarilla shopping center, injuring three and causing considerable property damage.

While morning newspaper headlines noted the people's repudiation of this new terrorist offensive, the subversives detonated a car bomb at the Chacarilla shopping center, leaving no less than three people injured. [passage omitted]

A stolen Volkswagen loaded with 20 kg of dynamite was totally destroyed after the explosives were detonated by two individuals who apparently were targeting the (Sauderperu) installations, located 50 meters away. The explosion seriously injured 2d Subofficial Victor Maigua Rivera, who was on duty in the area and was summoned to the site by an anonymous caller. [passage omitted]

The explosion also injured an eight-year-old and another child, and destroyed the windows of shops on the first block of Prolongacion Primavera Avenue. It was part of an active morning characterized by anonymous emergency calls.

Miraflores has become the district most punished by the Shining Path insanity. Residents of the area, who have not yet forgotten the savage car bomb attack at Giron Tarata five months ago, were subjected to a similar demented attack on 17 November. The effects of this barbarous attack, which left two dead and approximately 20 injured, were being assessed by experts on 18 November, as the removal of rubble and other clean-up activities were under way.

According to the National Police, the subversives abandoned a red Volkswagen loaded with over 300 kg of explosives on the first block of Bolognesi Street. The detonation of the explosives instantly killed two civilians, one of whom was identified as Hector Rosales Regalado, who happened to be passing by. The body was identified by a colleague. Four [as heard] months after the attack that destroyed Tarata Street, the Shining Path again bloodied the Miraflores District. This time, the terrorists targeted the corner of Pardo and Bolognesi Avenues. After the explosion, a taxi driver identified as Hector Teodoro Regadado Gonzalez was found dead, and 17 other people were injured, two of them seriously. All the injured were taken to Casimiro Ulloa Emergency Hospital, where they were released when their injuries were found to be minor.

The explosion of a suitcase loaded with 20 sticks of dynamite caused much alarm in a building next to the Las Americas Hotel in Miraflores, where the OAS observers for the current electoral process are staying.

According to witnesses, the suitcase bomb with 20 sticks of dynamite was taken by a woman to the fifth floor of a building located on Larco Avenue, Number 675. At the time of the explosion, one person was injured, according to the National Police, who did not allow the media to enter the building.

It was learned the clinic and tailor shop on the fifth floor suffered damages, according to the experts of the Explosives Unit.

[Begin recording] [Unidentified explosives expert] They placed 20 sticks of dynamite in a suitcase and placed it on top of a wall. It exploded and that is all that happened.

[Unidentified reporter] Was anyone injured?

[Expert] Yes. The son of [name indistinct] was injured.

[Reporter] Seriously?

[Expert] We do not know. He was taken....

[Reporter, interrupting] What offices are located on that floor?

[Expert] There is a clinic, a tailor shop, and medical consulting rooms.

[Reporter] How would you classify this attack?

[Expert] It is one of stupidity, pure ill-will. [end recording]

The explosion caused great alarm among the people who normally pass through the area, as this is the second terrorist attack in less than 24 hours.

In addition, terrorists carried out a number of attacks in several places in Lima on the night of 18 November. In San Martin de Porres, they attacked two banks with explosives. In Los Olivos, they set off explosives near the offices of Change 90 and in La Victoria they left several explosive charges near the Yaguar market.

Fortunately, none of these attacks resulted in injury.

Death Squad Leader Makes 'Public Repentance'

PY1811213892 Lima LA REPUBLICA in Spanish 7 Nov 92 p 2

[Text] Ayacucho, 6 Nov—Marcial Huamani Galindo, head of a Shining Path death squad that murdered 114 people, including policemen, peasant defense patrol members, and provincial government officials, today expressed his public repentance "for having been deceived."

"I want to repent in front of you, journalists. I have been the military chief of Group 21, I have been deceived, drugged; they deceived us by offering us money, a house, a car," Huamani shouted when presented to local journalists.

Huamani made this singular declaration this afternoon, as he was presented together with 20 other members of a Shining Path death squad which had allegedly killed military men, policemen, and civilian officials, committing attacks against public and private establishments in the Los Libertadores-Wari region, Ayacucho Department.

The group included five women who denied belonging to Shining Path. One of them, Maria Eugenia Conocc Saune, 26, fainted during the presentation, and had to be carried away by the police.

The other four women denied belonging to Shining Path, arguing that their arrest was a mistake.

The repenting chief categorically refused to recognize Abimael Guzman—the supreme Shining Path leader detained in September, and currently serving a prison term at a Navy base—as "President Gonzalo," and recognized Alberto Fujimori as the Peruvian chief of state.

"Our president is no longer Gonzalo but President Fujimori, and I am willing to help him capture the rest of the Shining Path chiefs. I know many of them. We will be finished with terrorism in the universities, in public bodies; I am going to coooperate, I have repented," Huamani Galindo said firmly.

While the Shining Path leader made these statements before astonished policemen, some of the other terrorists booed him. The police had the situation quickly under control.

Raul Espinola, however, another of the terrorists presented to journalists and accused of being a member of this death squad, supported Huamani's attitude.

"Hallelujah, hallelujah, thank the Lord, mercy hallelujah," the young man shouted.

General Ronald Rueda, chief of the political military command of the Huamanga front, told journalists that the terrorists had committed 114 murders and belong to Group 21, which operated mainly in the city of Ayacucho.

The other arrested members are: Emiliano Palomino Chavez, 28, "Comrade Omar," who was second in command of Group 21; Teodoro Rondinel Garcia, 19, Comrade "Zorro" or "Caballo"; Raul Huamani Nunez, 24, Comrade "Freddy"; Antonio Paquiyahuri Flores, 22, Comrade "Antucha"; Raul Espinoza Garcia, 22, Comrade "Mono."

Other arrested terrorists are: Juan Mendoza Acasio, 35, Comrade "Gordo"; Narciso Tupia Ortiz, 53; Ricardo Pena Conocc, 25, Comrade "Tigre"; Indaleccio Cordova Flores, 20; Chiriaco Copos Llantuaman Quicana, 42; Corpus Urbano Manuco Nieto, 25; Manuco Ciriaco Paquiyahuri Flores, 30; Ciriaco Mauro Durand Casas, 28, Comrade "Companeo."

The arrested women are Dina Paquiyahuri Flores, 23; Dina Justina Huaraca, 23; Justa Eugenia Conocc Saune, 26; Eugenia Irineo Baqalqui Pretel, 26; and Irinea Victoria Maldonado Pomasoncco, 28.

Gen. Rueda said that the arrested terrorists are responsible for several attacks, inflicting terror and causing the deaths of dozens of political and civilian officials and humble peasants.

Among those actions he mentioned the attack on the town of Huayao, where 50 peasants were killed and nearly all the houses were burned down, last 10 October.

They had also ambushed an Army patrol and a delegation of Huancasancos Province officials. They killed 17 people during this attack, including the mayor and the justice of the peace.

They are also responsible for the murder of prosecutor Jose Macera Tito; the ambush of a police patrol in which three policemen were killed; the death of an engineer when they set fire to four vehicles; the attack on the Pichihuillca settlement, where 13 peasant patrol members were killed; and the murder of passengers on interprovincial buses.

Uruguay

President Interviewed on Regional Issues

PY1511015492 Montevideo EL PAIS in Spanish 8 Nov 92 pp 18, 19

[Interview with President Dr. Luis Alberto Lacalle by journalists Washington Beltran Storace, Carlos Pauletti, and Daniel Rodriguez Oteiza for EL PAIS and the American group of Dailies at the presidential residence on Suarez Avenue, Montevideo, "some days ago"]

[Text] [EL PAIS] How do you view the regional situation?

[Lacalle] I believe the word regional must be explained because, sometimes, various areas are described using the same word. In my opinion, from Uruguay's viewpoint, our region is the [River] Plate, the [River] Plate region. Then, South America's southern cone; then, South America; then, Ibero-America; and so on, in concentric circles.

[EL PAIS] Let's begin with the Plate region...

[Lacalle] The Plate region is experiencing very important and transcendental changes—not only in the economies and domestic organizations of the respective countries, like Uruguay and Argentina, for example, but also in the linking of the Plate countries. For example, the Mercosur [Common Market of the South], the most important enterprise since the independence of these nations; the waterway, that is, the agreement on transportation using the Parana and Paraguay Rivers; the implementation of infrastructure projects like the Sao Paulo-Buenos Aires highway project, which is an idea of the Uruguayan Government under study in order to implement it; the link between Uruguay and Argentina through a bridge over the [River] Plate, linking Buenos Aires and Colonia; the electric [power system] link, of an as yet undetermined magnitude; and the future and imminent gas [pipeline] link.

In other words, work is being done. The Plate region is being connected as never before—perhaps. As a consequence, among other things, Paraguay and Bolivia will become Atlantic countries, that is, they will have a legal ocean outlet—through a legal agreement on the waterway transportation system. This represents a veritable revolution.

[EL PAIS] If Argentina and Brazil must redefine some Mercosur aspects vis-a-vis their notable trade imbalance, how is this situation reflected in the Uruguayan trade with the two countries?

[Lacalle] Notably, Brazil's and Argentina's huge economies have a tremendous influence on Uruguay's economy. In this regard, any figures will be enough: gross [domestic] product, exports, population, and even territory. Therefore, this is the reason for such an influence. Thus Uruguay is concerned and is interested in the good performance of its neighbors. If its neighbors fare well, then Uruguay fares well.

The redefinition that sometimes has been raised, but not—as yet—implemented, by Brazil's and Argentina's foreign and economy ministries on the fact that the coming Mercosur implementation date forces them to adjust themselves will be taken into account by the Uruguayan Government that will have no alternative but to adjust its steps—to some extent, at least—to the actions that these large countries will take. Uruguay cannot go against the flow. It cannot allow this to happen, but it will maintain its identity and its policy to the extent possible within an atmosphere—I repeat—in which Uruguay is clearly influenced by the neighboring economies.

[EL PAIS] There were problems with sector agreements and a certain alignment between Argentines and Brazilians, excluding the rest, took place...

[Lacalle] Rather than Argentina-Brazil, this involves private sectors. Why? What is happening? In this field, the state conducts the process. If we allow the sectors to—horizontally—establish closed shops, they will detract from the global goal through partial agreements. This represents an economic area with a foreign tariff, no domestic tariffs, and 200 million consumers where the production factors, goods, and products move freely.

If we do not protect this goal, partial agreements—which are welcome as long as they enhance the sectors—may become tiny closed shops that detract from the [Mercosur] contents.

Therefore, and I want to be very clear on this, it is not that we are against the state. Allowances must be made for the private interests to conduct business, but it is necessary not to lose sight of the fact that the state and government actually conduct the process. In addition, as the heads of state are legitimate, because they are elected by the citizenry, the citizens are the ones who actually conduct themselves.

[EL PAIS] What about the remaining Latin American countries? It has been said that Bolivia was about to join Mercosur. Chile is in a very unique situation.

[Lacalle] The text of the Asuncion Treaty is very clear in establishing the conditions for joining Mercosur. It was established that this treaty will be automatically available to all ALADI [Latin American Integration Association] member countries five years after its implementation in 1995.

However, a country seeking to join it will have to show that it is not linked to any other organization. Consequently, Chile is in a position to request it, but I think its economy is such that it can be "a stopper," to quote a soccer term. Chile has law tariff rates, and a very

dynamic economy, and is a major exporter. Then it might be more convenient for it to play loosely in the world commerce arena.

Bolivia has taken some steps, and efforts have been made to try to find an intermediate status so that it can begin to join Mercosur, in the same way that in Europe, a status was sought for Greek and Spain before they became full members of the EEC.

[EL PAIS] You have stated that an Ibero-American community of nations is only feasible in culture—which would include education and information. Based on this, you have proposed to form what you yourself call "the Common Market of Knowledge," which is a good idea. In your view, what are the obstacles to real economic integration in this part of America, especially now that the world is moving ahead with the help of blocs. What is Uruguay's position in this regard? Is Mercosur the only goal?

[Lacalle] It seems to me that there is a contradiction in your question. When we talk about the Ibero-American community, we allude to the community of American countries, Portugal and Spain, the two Iberian countries which gave rise to them. That is why we say we do not see any political or economic possibilities of balancing the interests between the two European nations and America. I can mention a single obstacle: The EEC and our antagonistic interests with respect to it. I do not oppose it, but I must say that it is very difficult to reach integration other than in the cultural and education field, which can help to form an Ibero-American Community through its two common languages: Portuguese and Spanish.

I have not stated that I oppose America's complete integration. What happens is that reasonable steps should be taken to move this goal forward, and we think Mercosur is a long and complex step. I think that an entire generation will be involved in this noble task. Consequently we do not oppose or rule out the matter of complete integration, which is a long-term objective. We have immediate goals to achieve within Mercosur.

[EL PAIS] In sum, how will Uruguay benefit from the decision to permit Bolivia access through two cargo terminals? Could this be a step toward Bolivia's integration into Mercosur?

[Lacalle] Bolivia and Paraguay are interested in the Nueva Palmira and Montevideo cargo terminals. Both already have fiscal deposits. There is a plan to build cargo facilities for Paraguayan soybeans on the Uruguay and River Plate river banks in Nueva Palmira. This is a way to promote integration. We think the decision to sign the Waterway Transportation Treaty in order to coordinate and complement the regulations on the river transportation for Argentina, Brazil, Uruguay, Paraguay, and Bolivia represents a real, efficient, and very important point of integration.

[EL PAIS] It is said that from the institutional viewpoint, the Chilean and Uruguayan democracies are the most stable in Latin America. Do you agree?

[Lacalle] I would say that the meaning of democracy, strength of the institutions, varies from one country to another. It is hard to compare. What does a democratic system entail? That the governor is elected, that he enjoys the approval of the people, and that he respects the law and human rights.

All the models, adjustments, and ways of exercising democracy fall within that framework. Chile and Uruguay have always shared a tradition, long periods of respect, of solid institutions which, I hope, may be shared by the other countries.

I do not like to make comparisons because I am aware that each country has its own characteristics, its own problems, and its own way of being, and there is no point in saying that one is more democratic than the other. We all know our limitations, how much we can do, and the ideal thing is that the institutions enjoy the support of the people. The more the people accept them, the more they support them, and the stronger the institutions of a nation will grow.

[EL PAIS] Do you fear that terrorism that has spread in the Andean South American region may reach Uruguay?

[Lacalle] I do not think it has spread. Precisely, one of the characteristics of this new unhappy outbreak, of this evil disease called terrorism, this scourge, is that it has not spread. An example is that Peruvian terrorism has not spread to Bolivia despite the fact that these two countries are divided by an almost non-existent borderline and they are similar in some aspects.

Peruvian terrorism has very peculiar characteristics. I would say it is completely nontransferable. Then we have Bolivian terrorism, which is linked to drug trafficking and also has its own characteristics which do not exist in other parts of the continent. Therefore, I believe it is the other way around—terrorism is localized in those countries.

Moreover, peace agreements have been reached in countries, such as El Salvador, where there used to be political terrorism or guerrilla warefare. I think this is one of the positive developments in our continent.

[EL PAIS] Doesn't the fact that your foreign minister, Hector Gros Espiell, plays an important role with the OAS, and especially in the ad-hoc commission elected by the OAS to handle the "Peruvian case," greatly compromise your government? Anyway, within the framework of Uruguay's foreign policy, what are the main guidelines regarding our relations with Peru before and after 5 April (when President Alberto Fujimori dissolved Congress)?

[Lacalle] The Uruguayan foreign minister has participated in the negotiations for the election of a Constituent Assembly on 22 November. Naturally, he cannot forget he is the Uruguayan foreign minister but in this case he

has acted in his capacity as OAS special envoy. Therefore, we are very proud of his participation.

Uruguay's relationship with Peru has not varied. I would not say they remain at the same level but, formally, we did not deem it appropriate to adopt any measure. It was rather a matter of understanding that the situation in that country was very particular from the social, human, and political viewpoint. This does not mean we approve any disrespect for the constitution, but we hope that the Peruvian people, through their vote, will overcome this problem. I think that the prudent manner in which this issue has been handled has enabled the Peruvian people to cast their vote and that, seemingly freed from the scourge of terrorism—at least of the main terrorist leaders—they will now be able to tackle their helath and poverty problems.

[EL PAIS] How do you view the new government of Brazil?

[Lacalle] Taking a view from the outside, I believe it is an internal subject which concerns Brazil, exclusively the Brazilian democratic and institutional area. The first great question is this: Is it a six-month government, or a government for the rest of the period? Then we can analyze it in accordance with Brazilian institutional law. There is a provisional president, and therefore a provisional government.

I have had great pleasure in greeting President Itamar Franco. He seems to me to be a very prudent and serene man. He is a man with his feet on the ground, and with no spectacular views, but very aware of the responsibility he is shouldering. I have great admiration for Fernando Henrique Cardoso, a really capable man, and I think it was a good choice to designate him Brazil's foreign minister; he is a dynamic, young, and enthusiastic man, and with intellectual prestige, and I believe Itamaraty has once again found one of its great men.

[EL PAIS] What is your personal position concerning the Colonia-Buenos Aires bridge? What will this project represent for Uruguay and for trade between the two countries?

[Lacalle] We have said it many times: We are against its construction if it is considered that it will be the cause of integration. We feel it is not the cause, but the consequence of integration. We have even made a comparison which I would like to repeat: No one is married because he owns a marriage certificate. It is a proof of it. But he is married because he loves his wife, and has a life project, and so forth and so on. Both the bridge and marriage are factors of unity.

However, when the Asuncion Treaty was signed, I had no problem in admitting that I had changed my opinion. I think changing one's opinion is a mark of intelligence. And I said: Now that we have integration, I will be the first to support the construction of the bridge, as it is no longer a tourism project alone. It also includes the correct use of ports on the Uruguayan coast, such as Nueva Palmira and Montevideo, to ease the jammed and difficult Argentine ports.

I think for Uruguay it is one of the most important opportunities as a supplier of port services, without damaging the idea of being connected, and that many people from Buenos Aires will be able to live in Colonia, getting the good things from both Buenos Aires and Colonia.

[EL PAIS] How is your relationship with [Argentine] President Carlos Menem?

[Lacalle] Very good. Humanly speaking, very good. He has a very complex government, much more complex than it might appear from simply reading the newspaper. There are many of those things they call internal matters, there are very strong interests, port interests, provincial interests—which are often reflected in subjects such as the canal project, where we are having some disagreements on ideas we did not have a year ago. It is not easy to govern the Argentine Republic.

I have profound affection and respect for President Menem for the courage he has had in crossing historical lines and in taking the path he has taken. But my country is my country, and Argentina is Argentina. My interests are those of my country before anything else, and so before the affection and friendship which I have for several chiefs of state, my country comes first, and I must defend its interests.

[EL PAIS] What benefits has the process of the privatization of public companies brought to the country?

[Lacalle] So far, almost nothing, because the process is just beginning. The fishing company has been sold. For 20 years this company has not fished for anything, and has not had any fishing boats, but it did exist as a fishing company. Resources have gone directly to the construction of five education centers. This is the obvious and concrete proof of what will be the destiny of any sale that might take place.

The national patrimony is not reduced, but changes its form. We are awaiting the results of the 13 December referendum to continue with those aspects which have been brought into question by the citizenship, through constitutional mechanisms we respect very much.

[EL PAIS] It seems that we are at a crossroads....

[Lacalle] I do not think so. The external effect of a concrete point is greater than what the concrete point itself means. Let me explain. From a law with more than 30 articles we will abolish five. Those who consider this a defeat for the government, or a suspension of the state reform, are wrong, because with five articles one does not reverse the port reform, or the reform of the rest of the public companies—both those that were and those that will be privatized—or all the decisions that have been made already.

This is something that has been successful to a certain degree, but it will not be fully endorsed by the public through obligatory voting. People will realize they that they are not voting against the government, or to abolish the Law on Public Companies.

This is being used in a very well-orchestrated campaign carried out by the Broad Front, which is the only group that will benefit from this issue, for its political objectives.

[EL PAIS] What objectives?

[Lacalle] The elections.

[EL PAIS] Why?

[Lacalle] Because although we are now in November, if the elections are held in 24 months some people think they might gain political credit if they reach certain goals. I do not think so.

[EL PAIS] You said there are two possibilities: One, that the five articles will be ratified and the reform process continue. The other possibility is that the five articles may be abolished. What would happen the day after?

[Lacalle] The state reform would continue with everything that was not included in the abolished articles.

[EL PAIS] There is a political faction, the Batlleist Forum, which suggested negotiations for after 13 December....

[Lacalle] I think we should wait until 13 or 14 December and then speak.

[EL PAIS] Does this mean that negotiations cannot be carried out beforehand?

[Lacalle] But... How can we negotiate such an issue? It would seem a back room deal. We cannot summon the entire public for a mandatory vote, and then make a back room deal. I think that... Of course, we always listen to new ideas, but on 13 December it is the people who have the final word. We will act according to what was said, though we may not seem convinced.

[EL PAIS] How is the industrial reconversion going?

[Lacalle] I think it is going well, because there have been large equipment purchases. Whoever buys equipment, whether it be furnaces or machines, does not buy them for a lark, but because he is confident they will help him make money. And the purchase figures are good.

[EL PAIS] There must be a great deal of international financing....

[Lacalle] There is also a lot of national currency available. The Bank of the Republic has credit for whoever asks for it; all that is needed is a good project. I do not think there is a credit problem. There are many companies being retooled, perhaps with their own resources, but there are no credit problems.

[EL PAIS] The government has pointed out that it cannot rule out any economic policy possibility, meaning a possible economic shock.

[Lacalle] Yes.

[EL PAIS] Now it has been reported from the the United States that this could cost from $150 to $200 million in taxes in order to reach the desired results. Has this been analyzed?

[Lacalle] Yes, of course. I analyze all the issues I can.

[EL PAIS] How can these funds be obtained if an economic shock policy is applied?

[Lacalle] So you want to work as a soothsayer today?

[EL PAIS] No, but as long as a shock may take place....

[Lacalle] I will tell you the day after the shock takes place, if it does take place. But that is not revealed the day before.

[EL PAIS] It seems you are willing to apply one....

[Lacalle] I do not think so. I trust our economy minister; he would be a luxury in any part of the world, and this is always under consideration.

[EL PAIS] A lot is said about results, low inflation rates and so on, but the people do not see it this way.

[Lacalle] Well, it may be the media's fault.

[EL PAIS] Why should you blame the media?

[Lacalle] I do not know. Who communicates with the people? The media.

[EL PAIS] But the fact that people go to the supermarket, pay a ticket, or pay for their expenses, is not a media problem.

[Lacalle] I believe there is a psychosis which is also promoted by the mass media. Most mass media organizations are obviously against the government's actions. This might just be the way we are. I do not know. I do not think people are exuberant, but I do know there is more prosperity, because gross domestic production has grown by 7 percent, there are 21,000 new cars on the streets, cement consumption has risen by 19 percent, apartments are sold in Los Pozos, sales have increased at supermarkets, and imports have gone up. The figures show that somebody has improved his situation and is making progress. Some sectors are not in good condition, and I believe that inasmuch as they sometimes surround certain centers of power, it acts as a sort of glass which impedes vision. But neither you nor I can find an explanation.

[EL PAIS] During the year various strikes and demands, some of them significant, have taken place protesting the socioeconomic situation. Is it possible to find an immediate solution to these annoyances?

[Lacalle] I do not have figures at hand now, but I would dare say that fewer conflicts have occurred this year than last. All countries facing changes encounter conflicts. The full exercise of the right to strike is established in the Constitution and supported by the government.

We have noted that support for the strikes, and for the labor union leadership, which is no longer representative, has decreased. People will continue to stage strikes, as in any other civilized country, as long as the law is observed and the essential services and rights of others are not disrupted.

[EL PAIS] Do you think the role of political parties in Uruguay and in other countries could be declining?

This death certificate has been written on many occasions, and then thrown in the trash. We have the oldest system of parties in the world, from 1836 to 1992. Intelligent and capable young politicians continue to emerge, to whom I wish a long life, for the well-being of the country.

[EL PAIS] Some people, however, allude to the possibility of uniting political factions.

[Lacalle] The possibility of uniting factions does not entail the death of a party. Since the time we were children, the agreements between political bosses and between the major centers of power have been major impulse factors for the country. Perhaps from an institutional viewpoint we should seek to establish preelectoral party agreements in order to avoid agreements after the elections.

You know that I made a great effort to convince people that a congressional coalition was the right way to govern. Unfortunately we failed, as it is obvious that we had to make tremendous efforts to build a majority bloc whenever we needed one. Perhaps preelectoral party agreements should be institutionally established. This does not, however, mean that parties should lose their profile or that they should fade, but simply that they should reach agreement.

[EL PAIS] What about your future?

[Lacalle] My future? Well, I hope I will live a long, healthy, and good life. I hope I will have many grandchildren, all of them Blanco Party members and Nacional soccer team fans.

[EL PAIS] We mean political future....

[Lacalle] The Constitution allows me to be a senator....

[EL PAIS] Does that mean that we are today launching Lacalle's candidacy for the Senate?

[Lacalle] This is granted by the Constitution. But I should also feel like accepting it.... And people should want to vote for me.

[EL PAIS] How are your relations with political leaders? It has been said that you have smooth relations with Pacheco Areco, good relations—which are, however, not as smooth—with Dr. Batlle, very difficult relations with Dr. Sanguinetti....

[Lacalle] You have answered your question.

[EL PAIS] Yes, but is that how things really are?

[Lacalle] Yes, in general terms they are. Our relations are marked by great respect. We should also include the other leaders, because as you know I am the president who has made the greatest number of consultations for major decisions. Leaders have honored the country because they showed that consultations are possible. At a personal level, things are different, because interpersonal relations depend on each individual.

[EL PAIS] In your opinion, how will Governor Clinton's victory in the U.S. elections influence relationships with Latin America?

[Lacalle] In my opinion the U.S. State Department, as with all the great foreign ministries of the world, is a great regulator of and buffer for change. The great foreign ministries, such as those of the United Kingdom or Brazil, or the U.S. State Department, do not take sharp turns. They are thus great nations following courses like those of large vessels, which may vary a few degrees to port or to starboard, whereas the course remains more or less the same.

Domestic measures, with an impact on trade, might have a negative impact—not foreign policy, but domestic policy decisions which could indirectly hit us.

Nevertheless I believe President Clinton does not resemble the old-fashioned type of Democrat, either. We must not forget that there have been no Democrats in the White House since Carter, and that he was already not a typical Democrat. If we consider Democrats of the type existing in the 1960's, I believe they no longer exist anywhere in the world, because a pragmatic attitude, without ideologizing, has been achieved, and the United States has not been an exception in this field.

As we have relations with governments, and not with parties, we will therefore maintain with the U.S. Government the correct and respectful relationship we have been maintaining through?7H?his administration—and always representing Uruguay.

[EL PAIS] If we combine the Torricelli law with the U.S. Supreme Court resolution claiming the right to capture those wanted by the courts in whatever country they find themselves, doesn't this indicate that the United States is overreaching itself, claiming the role of "sheriff" [preceding word in English] in world affairs?

[Lacalle] In my opinion, it is not even that. It may have been so if the decision had been made by the Pentagon. For one thing, this decision was made by the Supreme Court, which, as you know, is very independent. I am sure the U.S. State Department would have been pulling its hair had it seen the court resolution. It was very

negative and could not be opposed by U.S. foreign policy. It is like saying I am going to my neighbor's house to remove something. It does not have any international legal support.

As for the Torricelli law, sometimes I think, well, I don't know Mr. Torricelli. He might be a very fine person, a good father, I don't know, I am not passing judgment on him as a human being. But perhaps he did this because in his district there are many Cubans, and in order to be reelected he has to be popular. The law was submitted for consideration, and we were then surprised at its approval.

U.S. policy is much more complex than we believe. International factors have very little weight. We believe that people in Iowa, Idaho, or Arkansas are hanging on what is happening abroad, but they do not have the slightest idea; they are concentrating on domestic matters. Sometimes this type of law appears, receives support, and is approved. All of us know how Congress operates. My country, however, has appropriately responded that to forbid us to trade with another country is inadmissible.

[EL PAIS] In the past, your government has made positive comments about the Americas Initiative of President Bush. What is, in your opinion, the future of this initiative, and under what conditions will Uruguay join it?

[Lacalle] This initiative depends to a considerable extent on the U.S. Congress. The U.S. President has considerable power in running international political affairs, but not in dealing with Congress. The president proposes an idea, but if Congress does not provide the funds any initiative will be meaningless. We believe it is a great idea which will make the inhabitants of this part of the Americas feel grateful to President Bush.

[EL PAIS] Do you believe the United States and Europe are shouldering their burden in the struggle against drug trafficking?

[Lacalle] Once again, I would like to reiterate that the drug issue is a three or four-tiered system. The first level is that of the peasant who engages in a specific plant culture. You may wonder why he grows such a plant. Well, it is simply because he is paid for doing so. The next level is the processing and transportation of the drug, followed by its distribution and consumption. The last stage is the laundering of the money obtained from the sale of the drug; that is, the incorporation of that money into financial markets. As you see, there are clear-cut distinctions among these levels. Nonetheless, it is obvious that were it not for drug use, none of them would survive. The bottom line of the problem is that there are people who like, take, or are addicted to certain substances. That is the starting point of the entire process.

Every country must therefore put its shoulder to the wheel, every country must strike a blow against that link in the chain which falls under its domain, especially—and I am absolutely certain of it—against users.

Our country may be indirectly linked to this issue. It has been said that the Uruguayan financial system is used for money laundering, but I do not believe this is true. Bank deposits have never dwindled significantly, despite all the threats of investigations or publicity given the issue. I have taken the trouble to check this. Besides, Uruguay has signed the appropriate agreements, has waived the confidentiality of bank records every time judges have requested so, and has authorized the extradition of those charged with drug trafficking.

It is therefore important that every country assume its own responsibilities. I would venture to say that the two efficient ways of tackling this problem might be: one, to curb drug use, for which there is no easy solution. If they have not yet discovered how to do this in countries where drugs are used, it means the problem is by no means easy to solve. The other way is to improve trade conditions for the peasant who grows those plants. It is not fair that Colombian goods should be hindered from gaining access to world markets, while at the same time it is demanded that Colombia take more stringent measures in its struggle against drug trafficking, which costs the country $1 billion every year.

We must thus consider this issue in its due proportion and scope. Quite daringly and intelligently, the Bolivian president attended the Madrid summit with a coca leaf on his lapel to vindicate—and he managed to do so—that it has been scientifically proved that coca leaves are wholesome and have medicinal properties.

[EL PAIS] We asked you this because the trend in the United States has been to blame the southern countries, saying that "they send us this trash which poisons our youth."

[Lacalle] It is quite easy to point an accusing finger at others—finger pointing [preceding two words in English] as the Americans say. That is very easy. A decadent society, which for one reason or another is ravaged by the scourge of drug use, is in no position to blame other societies. This is not a question of "you win and I lose." This is a problem affecting all mankind, and therefore the easy way out is to blame the poor peasant who plants a little plant on a mountain slope, and is paid a pittance for doing so. No, sir! It is not as easy as all that.

I believe it amounts to much more than that. A country such as Colombia, which has witnessed the deaths of judges, hundreds of policemen, agents, soldiers, and so many innocent people, cannot be charged with doing nothing.

The day Cesar Gaviria was elected president, I telephoned him from the telephone you see right here, and even though I had never met him I told him "look, my friend, we have never met before, but you must be one of the bravest men in the world." He has never forgotten that.

I said that to him because he valiantly and decisively accepted the office of the presidency, which must be one of the most difficult ones in the world at this moment. Hence one cannot—and I would add quite rashly too—put any blame on other countries, which are struggling between life and death and sometimes do not have the financial support or the commercial opportunities to implement a crop substitution program. Let us not fall into the trap of viewing this issue in black and white, as this would be a great triumph for those who are on the other side.

It is most pitiful to see a 14-year-old boy on the street corner of a U.S. city getting himself a fix, isn't it? Let us then show all due respect, both for the tragedy that the United States and other industrialized countries are facing, and for the tragedy of every policeman who—despite earning a small salary—is getting himself killed in Medellin.

[EL PAIS] Throughout this year there has been friction between the civilian government and the military, and demands on the administration have been heard. How do you assess the situation? How important is the so-called National Movement of Retired Soldiers [Movimiento Nacional de Militares Retirados]? Is it a political force?

[Lacalle] There is no Movement of Retired Soldiers in Uruguay. This is erroneous information. There are indeed military centers of retired military men—five or six of them—which group Navy, Air Force, and Army personnel, forming clubs where the soldiers gather to play racquetball and cards and have a cocktail. These are social activities, and this happens everywhere in the world. During some of their meetings they have made remarks of a political nature on certain legislative measures. They are actually not allowed to participate in meetings criticizing the commander in chief—that is, me—and the minister—that is, my defense minister. In this regard, the appropriate measures have been taken, advising the officers on active duty that they cannot violate their status [preceding word in English] of nonparticipation in politics.

In Uruguay the political forces are represented by the political parties, including the National Party and the Colorado Party, which makes up the oldest party system in the world.

The military centers reportedly represent opinion circles, but there are also opinion circles among cattlemen and in the industrial and commercial fields. It represents another ingredient in a country where freedom of expression is practiced, protected, and championed.

[EL PAIS] In the international arena, there are proposals that in our countries there should rather be a National Guard which...

[Lacalle] No! Emphatically not! Armed Forces, with everything this involves, because we are a nation with a long tradition. As Uruguayan president and commander in chief of the Armed Forces, I am proud of the Uruguayan Army, Navy, and Air Force. They must be current, technologically adjusted, and prepared for possible conflict, but no National Guards. Here we have an Armed Forces, which will remain as such.